

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

Minutes of the May 15, 2009 Meeting of the Board of Directors
Sommet Center –Meeting Rooms H-K
9:30 a.m.

Board Members: Arnett H. Bodenhamer, Cathy Bender Jackson, J. D. Elliott, Mike Hobbs, Kevin P. Lavender, Ralph Perrey, Edward Temple, Nancy Vincent, Helen Walker
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
Visitors: Charles Starks (Nashville Convention Center), Frank Curry

Mr. Arnett H. 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 April meeting were unanimously approved. Mr. Bodenhamer acknowledged Coach Ed Temple for his contributions to the community.

Mr. Bodenhamer recognized Mr. Emmett Edwards to give the Executive Director's report. Mr. Edwards reported that a gala in honor of Coach Temple will be held at LP Field on May 26, 2009. He additionally reported that a Civic Event Application for parking was received from the Martha O'Bryan Center for the "Taste of Music City" Event, and that the complete list of the Sports Authority funds was included in the information packet for the Board's review.

Upon a motion duly made and seconded, the Board voted to approve Martha O'Bryan's Civic Event Application and parking request pending receipt of full documentation and confirmation of lot availability by the Titans.

Mr. Bodenhamer recognized Mr. Steve Underwood to give the LP Field Report. Mr. Underwood reported that the Titans are continuing to make progress with regards to the casualty loss claims, noting that they recently received a check from Metro Government. He additionally reported a leak in a water pipe on the service level, noting that more information was provided in current Periodic Report. Mr. Bodenhamer requested that the Titans invite the Board to tour LP Field prior to football season to view capital items and prospective improvements. Mr. Underwood continued by reporting that capital expenses are under control and currently static, and that a check list of capital projects was included in the periodic report. Mr. Underwood continued by announcing that the Titans are working with the Nashville Convention and Visitors Bureau and the Metropolitan Government and have been asked to bid on the FIFA World Cup Soccer Event for 2018 or 2022.

Mr. Bodenhamer recognized Ms. Nancy Vincent to give the Finance and Audit Review Committee Report in Mr. Rusty Lawrence's absence. Ms. Vincent reported that the Finance Committee met on May 8th and discussed several topics, one of which was the shared employee allocation budget. Mr. Hugh Lombardi reported that Powers Management, after much discussion, has decided to return the allocation figures originally proposed for FY10 back to the levels used during FY09. Powers Management will reserve its right to ask for a new review of the issue during next year's budget process. **Ms. Vincent acknowledged the Finance Committee's vote to recommend approval of Powers Management's proposal and, upon a motion duly made and seconded, the Sports Authority voted to accept the recommendation of the Finance Committee that the allocation figures remain at their current level.**

Ms. Vincent additionally reported that the Finance Committee discussed the storage of arena related documents such as event settlements statements, proposing that, due to easy access and free parking, documents be stored at the Sommet Center on a trial basis. After much discussion the Board determined it would postpone taking action on document storage until it

receives a report from Mr. Lawrence on the availability and accessibility of the documents. Ms. Vincent continued by reporting that the Finance Committee was made aware of the administrative letter submitted by Kraft CPAs with management recommendations for the FY08 Audit. Kraft noted that, with regards to debt service payments, there is no declaration of percentages. Ms. Theresa Costonis stated that Metro Legal has offered to expand the scope for the ticket tax outside legal counsel to include advice on bond issues. **Upon a duly made motion seconded, the Sports Authority voted to hire Mr. Bill Farmer as counsel for seat use tax and bond issues.** Mr. Bodenhamer appointed Ms. Vincent to serve as the liaison between the Sports Authority and Metro Legal to address legal fees and rates.

With regards to the selection of an audit firm, Ms. Vincent reported that the Finance Committee recommended extending Kraft CPA's contract for one-year with the possibility of two one-year extensions. **Upon a motion duly made and seconded, the Sports Authority voted to extend Kraft CPA's contract for one-year with the possibility of two one-year extensions.** Ms. Vincent also reported a second management recommendation from the auditors indicating the need for the segregation of duties for Powers Payroll Department. Powers reported that it is researching payroll software packages to address the audit concerns.

Finally, the Board agreed that the omissions of language regarding the 5% in the term sheet for the local ownership deal were technical mistakes and that the ticket tax term did not change. **Upon a motion duly made and seconded the Board voted to modify the lease to reflect the original terms.**

The Sommet Center Report

Mr. Bodenhamer recognized Mr. Hugh Lombardi to give the Sommet Center Report. Mr. Lombardi reported that March was a great month for the arena with seven Predators games, the OVC basketball tournament, the SEC Gymnastics Tournament, New Kids on the Block and more. Total actual revenue for March was \$896,397 compared to the budgeted \$389,940. Total operating expenses were \$1,210,332 compared to the budgeted \$839,959.

Other Business

Mr. Bodenhamer reported that the Executive Director evaluations would be extended for one month and asked that they be returned in time for the June meeting. Board members should modify the form to reflect a non-civil service classification.

There being no other business, the meeting adjourned.