

LOUISIANA STADIUM AND EXPOSITION DISTRICT
BOARD OF COMMISSIONERS MINUTES
FROM THE MEETING OF JUNE 23, 2016

PRESENT: Kyle France, Kathleen Blanco, Hilary Landry, Renee Lapeyrolerie, Gregory Morrison, and Casey Robin.

ABSENT: Henry Baptiste

I. ROLL CALL and WELCOME

Chairman Kyle France called the June 23rd meeting to order and led those in attendance in the Pledge of Allegiance and then a moment of silence to remember the Deputy who lost his life in the line of duty in Jefferson Parish. Present were Commissioners France, Blanco, Landry, Lapeyrolerie, Morrison, and Robin. Absent: Commissioner Baptiste. There was a quorum for the meeting.

II. APPROVAL OF MINUTES OF May 26, 2016 MEETING

Chairman France asked if there was a motion for approval of the Minutes of the May 26, 2016 Board Meeting. Commissioner Blanco moved for approval of same, seconded by Commissioner Morrison, all in favor, and the Minutes of the May 26 Board Meeting were adopted.

Chairman France moved into the Operations Reports commencing with Doug Thornton.

III. SMG REPORT

Doug Thornton begins his report by stating that the LED boards are just about complete, and the suite renovations continue to progress. He feels that the improvements will be well-received for the upcoming football season.

Mr. Thornton states that they will be asking for the approval of an additional sum of \$700,000 to be set aside in the Capital Reserve Account for capital repairs, such amount representing the excess funds received from the hotel tax increases. The excess funds are generally rolled into the Reserve Account for future capital repairs/replacements at the end of the fiscal year. This additional \$700,000 would be used over the course of the next year towards the five-year capital plan that was previously approved.

Mr. Thornton comments on the work that Jennifer and her team performed to host the International Pow Wow – a group of trade professionals who make decisions about meetings, conventions, trade shows, and the like and the number of leads derived from that. Ticket sales for the Essence Festival were a bit sluggish compared to the previous year, which could possibly be impacted by the day on which the July 4th holiday fell.

Evan Holmes begins his report concerning HB-53 which would subject the LSED to sales tax on certain events. Mr. Holmes commented that he had never seen so many amendments come through on legislation, and commended Shawn Bridgewater and her team for all the work they did concerning the amendments. During the legislative session, the Capital Outlay allocation of \$6.0 million and a \$3.0 million project allocation for Zephyr Stadium appear to be in place for approval. We are working with Mr. Rojas and his team and are in the process of putting together a Capital Improvement Plan for Zephyrs Stadium. Once funds are available, we will prioritize and focus on those projects are most needed.

Mr. Holmes notes that they were able to meet with Centerplate and the Pelicans representatives for an end-of-year review on food service operations at the SKC, for the Pelicans season. Feedback was that the customers thought that our food source provider did a really good job. We want to focus on areas in need of improvements; Mr. Holmes commends Steve and his team for stepping up and doing a great job.

Mr. Holmes has asked Mia Fredricks to assist in creating a tour program that would be attractive and include tours for school groups and civic organizations. Ms. Fredricks spoke with the Orleans Parish Education Board, and has had follow-up discussions regarding the development of a program for school tours.

Alan Freeman begins his report on the events and ticket sales for events held since the May meeting at Champions Square and the SKC. Mr. Freeman asks Ms. Cooke to say a few words regarding the International Pow Row held at the Dome and its economic impact.

Mr. Freeman commented on the various events (including the International Beer Fest, WWE Raw, Le Diner en Blanc, held outdoors at the Dome, and the movie shoot for Wolverine 3), and the net income generated in connection with these events. The event activity for the next 30 days will be fairly light.

Mr. Freeman also comments on the video boards and clubrooms. Upcoming events will include Ringling Brothers Circus, Josh Groban, Sarah McLachlan, and the Lutheran Church Synod, which will be our third time hosting this event. Other upcoming events will be Def Leppard, Brentley Gilbert, and Tulane's season opener at the SKC. Dates are being held for the Pelicans, and an agreement has been reached with the City on a renewal of the Memorandum of Understanding for operation of the Office of Police Secondary Employment, created by a Consent Decree. Mr. Freeman advised the Board that an hourly fee of \$3.25 has been negotiated for detail officers.

Mr. Freeman reports on the four bids with respect to multi-use of the football turf, possibly changing the infield technology, replacing logo pieces, etc. It was discovered that the historical supplier was the least expensive of all providers, and the Saints are very happy with them. A four-year extension with a company called UDU has been negotiated for this service.

Mr. Freeman asks Austin to begin the slide presentation of activity during the past month, which included the Le Diner en Blanc, International Pow Wow, various concerts, and disco show.

Chairman France commends the staff with respect to Dome lighting as it relates to current events.

Doug Thornton comments on the fact that with the Dome, and the two other facility-managed stadiums, it is just as effective to replace the turf every year as opposed to covering it. The turf is covered for events. It is more cost-effective to replace the turf as opposed to covering it, renting or buying a cover multiple times, and having to provide the change-over labor.

IV. FINANCE REPORT

David Weidler presents his team of managers and allows them to give a brief description of their responsibilities and duties of each department:

Susan Pollet – Accounting is tasked with accurately reporting the financial position of SMG New Orleans, to service the financial needs of all departments, and to adhere to general accepted accounting principles. Six sets of financials are compiled each month, creating annual operating and event-specific budgets for all six entities, tracking capital projects, processing payables, receivables, payroll, and overseeing purchasing; conducting internal audits of other departments that handle money, facilitating the annual legislative audit, and implementing the LSED Equity Program for payables. Our payroll timekeeping system has been upgraded, and we have begun tracking the DBE Program. We also process payroll checks, vouchers, receivables invoices, purchase orders, payable checks, and event settlements and handle 19 bank accounts.

Mark Arata – Box Office handles 175 shows of event-builds for all three buildings in the complex, about \$40 million in ticket sales (excluding Saints/Hornets), and a little over \$1.0 million in ticket sales a year. This office oversees all non-tenant ticket operations and is involved with promoters with respect to scaling shows, pricing, and configuring the buildings and production operations. The Box Office coordinates with Ticketmaster for all equipment needs, handles all event settlements on the night of concerts, and maintains all equipment for all three facilities.

Celeste Saltalamachia – Human Resources processes all applications, not including worker's comp filings. She is personally tasked with seeing that hiring practices are in coordination with the facilities' Best Practices with respect to job descriptions/background checks, complying with the EEOC, the Affordable Care Act, and government actions, the Federal Labor Standards Act, as well as the Family and Medical Leave Act, the Military Leave Act, Affirmative Action, and all SMG policies, to make sure that each employee is treated fairly and equitably. Our Employee Operations Assistance Program is very aggressive. We are tasked with ensuring that all risk management situations, workers' comp, and all employee relations are handled.

Matt Boyd – Technology Department oversees the Superdome, SKC, and Champions Square, daily office requirements, standard daily trouble-shooting, and assisting with any issues employees may have with their computers, phones, cell phones, radios, etc. We assist every show with their IT internet, phones, video needs, and their own equipment. We also oversee the wifi system, over 1500 access points, 600 radios, and approximately 1100 phone lines.

Dan McIlhargey – Parking Department consists of six full-time staff members and approximately 130 part-time staff. We are tasked with overseeing 3500 monthly contract cardholders, maintenance of all parking equipment inside the garages, and act as operational consultants for any LSED facility that might require assistance. Our event operations consists of developing all parking plans for over 170 events each year, managing revenue from the events, and the daily revenue from contract cardholders. This Department also manages credentialed parking systems at the Superdome, SKC, and Champions Square.

David Weidler continues his report, stating that they are looking into upgrading the gate arm system but is not sure what the cost would be.

With respect to the financial report, the final hotel tax number for the year is \$49,703,000 – one of the highest in many years. The one-penny tax will be finalized mid-August, the slots/license plates mid-July, and the player tax came in lower than what was budgeted. Everything else projected over the last year is holding true. Facility revenues and expenses for the Dome, SKC, and Champions Square have not changed, and the LSED expenses are on target as budgeted.

V. CONSTRUCTION REPORT

Pat Tobler of The Tobler Company presented his construction report. The Occupancy Certificate has been achieved for the west side suites for Essence, and the LED boards have progressed enough to use a portion of the new boards for the Essence Festival. Phase II Audio Systems for the 100, 200, and 300 level overhang areas will be ready for LCMS. At the SKC, the new LED boards should be coming in the week of July 8. The Alario Center has a film shoot currently going on, so the sidewalk project, kitchen area, and Hall C projects will start near the end of July. After July 5, we should be able to get back in the TPC to complete the punch list items for work performed prior to the Zurich Tournament.

VI. LEGAL REPORT

Shawn Bridgewater introduced the LSED Legal Report and presented the following Resolutions, which were approved by the Board of Commissioners as noted below:

On motion of Commissioner Morrison, seconded by Commissioner Landry, the LSED authorized and approved the Contract for Professional Services between the LSED and Chaffe McCall, L.L.P. for the July 1, 2016 through June 30, 2017 term. Voting in favor: Kyle France, Kathleen Blanco, Hilary Landry, Renee Lapeyrolierie, Greg Morrison, and Casey Robin. Voting Against: None. Abstaining: None. The motion passed.

On motion of Commissioner Morrison, seconded by Commissioner Robin, the LSED authorized and approved the Contract for Professional Services between the LSED and Laporte, A.P.A.C. for the July 1, 2016 through June 30, 2017 contract year to perform the general accounting services on an hourly basis as described therein, for a not to exceed contract amount as stated therein for the fiscal year ending June 30, 2017. Voting in favor: Kyle France, Kathleen Blanco, Hilary Landry, Renee Lapeyrolierie, Greg Morrison, and Casey Robin. Voting Against: None. Abstaining: None. The motion passed.

On motion of Commissioner Lapeyrolierie, seconded by Commissioner Blanco, the LSED authorized and approved the Engagement Letter of Laporte, A.P.A.C. to provide for the compilation and finalization of the Annual Fiscal Report for the LSED. Voting in favor: Kyle France, Kathleen Blanco, Hilary Landry, Renee Lapeyrolierie, Greg Morrison, and Casey Robin. Voting Against: None. Abstaining: None. The motion passed.

On motion of Commissioner Blanco, seconded by Commissioner Morrison, the LSED authorized and approved the engagement letter by Laporte, A.P.A.C. to provide the annual basic financial statements for the LSED for the year ending June 30, 2016 and to issue the Accountant's Compilation Report. Voting in favor: Kyle France, Kathleen Blanco, Hilary Landry, Renee Lapeyrolierie, Greg Morrison, and Casey Robin. Voting Against: None. Abstaining: None. The motion passed.

On motion of Commissioner Landry, seconded by Commissioner Morrison, the LSED authorized and approved the supplemental allocation and dedication of an additional amount of \$700,000 for LSED repair and replacement and for Capital Reserve Projects. The Funding Source will be the LSED Reserve Account, and the projects and the Resolution have the Staff Analysis support of SMG and the Tobler Company. Voting in favor: Kyle France, Kathleen Blanco, Hilary Landry, Renee Lapeyrolierie, Greg Morrison, and Casey Robin. Voting Against: None. Abstaining: None. The motion passed.

On motion of Commissioner Robin, seconded by Commissioner Blanco, the LSED authorized and approved the settlement agreements that were entered into in connection with the kitchen and Hall C foundation settlement at the Alario Center. As part of the terms of the settlement agreements, there was a provision that allowed for the reimbursement to the Alario Center of engineering expert fees that were incurred as a result of the litigation. The Resolution authorizes reimbursement to the Alario Center for amounts expended on engineering and expert fees in the sum of \$71,327.43. There are sufficient funds available from the settlement proceeds received by the LSED to pay the engineering and expert fees and perform the repairs. Voting in favor: Kyle France, Kathleen Blanco, Hilary Landry, Renee Lapeyrolerie, Greg Morrison, and Casey Robin. Voting Against: None. Abstaining: None. The motion passed.

VII. BOARD REPORTS

None.

VIII. OTHER BUSINESS

Chairman Frances takes a moment to recognize and commend Larry Roedel and the Roedel Parsons firm for their excellent work and commitment to the LSED and his assistance to Shawn Bridgewater during the transition period. Doug Thornton expresses that Mr. Roedel has been a great friend and colleague, and thanks him for a great job.

Shawn Bridgewater expresses that the transition has been very smooth and that it was exceptionally gratifying to work with Mr. Roedel and his team.

Mr. Roedel ends by saying that since 2004, the LSED has given them an opportunity to build relationships that will last a long time, beyond the contract terms. He has been amazed at the quality of leadership of each LSED Board. The facilities are great, sports teams are here for a long term, revenues are where they need to be, and there's excess money going into future capital accounts for repairs. Mr. Roedel compliments Doug Thornton and his incredible team, including introducing the key people that surround him. Mr. Roedel also states that his work with Pat Tobler on construction projects has been incredible, each coming under budget and early. He further comments that working with Laporte and Foley Judell has been an outstanding experience. Both he, Ben Hunter, and Janice Reese feel that working with the LSED has been the most professionally run and fulfilling work that they've ever done.

No Executive Session was needed.

IX. ADJOURNMENT

On motion by Commissioner Robin to adjourn, seconded by Commissioner Blanco, the June 23, 2016 public meeting of the LSED was adjourned.