

GREENVILLE ARENA DISTRICT
BOARD MEETING
May 23, 2023
4:00 PM

Present: Amber Drummond, Buddy Dyer, Barry Formanack, Brittany Moore, Neetu Patel, Jimmy Pittman, Dante Russo, Neil Smith

Also Present: Rebecca Ellefson, Bill Foster, Adam Lambright, Beth Paul

Chairperson Patel called to order, for the purpose of doing business, the Greenville Arena District Board of Trustees, held on May 23, 2023, at 4:00 PM with a quorum present.

Minutes

Mr. Russo made a motion to approve the April 2023, Greenville Arena District Board Meeting Minutes. The motion seconded by Ms. Moore. There was no opposition to the minutes.

There being no further discussion, the Minutes were approved by a full vote of the Board Members present.

Management

Mrs. Paul presented the Management Report, which included the following: Monthly Financial Summary –April 2023; Arena Reforecast April 2023.

Mrs. Paul reported that the Arena hosted 12 commercial events in April with 38,000 guests. The largest event of the month was Kenny Chesney. Event income for the month was \$1,064,000 compared to a budget of \$540,000 which brings event income to \$6 million for the year. The other revenue categories are comparing favorably to budget.

Operating Expenses continue to be unfavorable due to the volume of shows. Total operating expenses for the month of April were \$569,000 compared to a budget of \$482,000. Mrs. Paul concluded that operating profit for the year, through April, is \$4.4 million compared to a budget of \$2.7 million.

Mrs. Paul then went over the Arena Reforecast through the month of April. The Arena has continued to host events in May and there are a few events in June. It is anticipated that Operating Revenue will be \$11.3 million compared to a budget of \$8.7 million. Operating expenses are anticipated to be \$7.2 million which will result in an Operating Profit of \$4.1 million for Fiscal Year 2023.

Finance

Mr. Formanack yielded his time to Mrs. Paul to present the 2023-2024 Operating and Capital Budget.

Mrs Paul began with the 2024 Budget Principles which included detailed explanations on the proposed operating budget, a significant investment in new business development and client retention strategies, a continued reinvestment in the Arena's infrastructure and equipment and a continued investment in staff.

Mrs. Paul let the group know the anticipated outcomes of the budget, one being that there is an anticipated budget surplus with the FY 2024, and the surplus is slightly greater than the 5-Year Budget

Average. Also, available cash at the end of June 30, 2024, is anticipated to be approximately \$12.4 million after the \$6,060,000 Capital Expense plan is fully executed.

Mrs. Paul then presented the FY 2024 Operating Budget summary which included an Operating Revenue of \$10 million, \$7.2 million in operating expenses and a total Operating Profit of \$2.8 million for the year.

Mrs. Paul then presented the past trends of the operating profit and event income and how FY 2024 will compare. Event income represents 63% of all earned revenue. It takes into account ticket sales, food and beverage revenues, ticketing fees, District Seat tax and all expenses directly related to an event. For event income, GAD takes into account both concerts and non-concerts.

Mrs. Paul then went into more detail about the FY 2024 Events. There are projected to be 123 events with a project attendance of 550,000 which would result in \$6.3 million of Event income. Twenty-seven concerts are projected with the year and family entertainment, sporting events and "other" events account for 96 events. Overall, 94 of the budgeted events are confirmed, and represent \$4,148,000 or 65% of projected Event Income.

Mrs. Paul briefly went over the premium service revenue for FY 2024. This revenue consists of suite, sponsorships, club seats and naming rights and is projected to be \$2.9 million for the year. The goal is 100% renewal of suites and sponsorships and to add in a limited number of sponsors who pay a premium.

Mrs. Paul then moved on to Operating Expenses. She presented the breakdown of percentages of what makes up the expenses with personnel being the largest. There is a new category for Food and Beverage this year which will make up 16% of the expenses.

Mrs. Paul went into detail on the operating expenses. Personnel expenses make up 43% of expenses and will include the addition of two new full-time staff. Sales, marketing, and community relations make up 5% and this year will include funds to fully execute the 25th Anniversary Celebration. The next expenses are tied to event services, combining front of house and back of house, and make up 2% of the operating expenses.

Facility maintenance and operating supplies make up 10% of the expenses and there will be a decrease from the prior year. Mrs. Paul also highlighted the utilities and telecommunications, insurance and general and administrative categories that also go into expenses. Finally, she went over the IT expenses which make up 4% of the total expenses and include adding a second event-related network and moving all network to a cloud-based solution.

Mrs. Paul then reported that food and beverage operations make up 16% of total expenses and includes Levy's salaries and benefits for full-time employees, their operating expenses, other repairs and maintenance, capital reserve, partner profit and cost of goods increases. Mrs. Paul went over the FY 2024 Debt Service. She pointed out to the members of the board that \$3.2 million will be paid into outstanding debt and will lower the amount owed by GAD.

The final part of the Budget presentation is FY 2024 capital expenditures. There is a \$6,060,000 plan for capital improvements for the year. Some higher priced items are repairing the roof, suite renovations, a new maintenance truck, redoing the kitchen floor, coolers and hot boxes, a POS upgrade, re-cabling the Arena, supplemental sound and a design fee for master planning, among other items.

This concluded the presentation of the FY 2024 budget and capital expenditures. Mr. Patel asked that all questions be submitted by the Board Members to Mrs. Paul, Mr. Lambright and himself, by June 6th. The budget will be presented for a vote at the June 13th Board Meeting.

Capital Improvements

Mr. Dyer had nothing to report.

Public Outreach/Community Relations

Ms. Drummond let the group know that the committee met the week prior at Project Host and the meeting was attended by another STAGE partner Habitat for Humanity. She then highlighted the community events coming up which include the Project SEARCH graduation, the American Red Cross Wellness Day, the Heroes Hike and the Arena Build. Board members were sent calendar invites for events.

Other

Mrs. Paul thanked Mr. Lambright for all of his hard work on the budget.

The June GAD Board Meeting will happen on June 13th at 9 am.

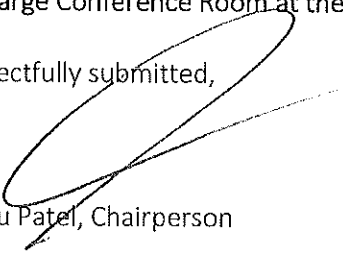
Executive Session

No Executive Session.

Mr. Russo made a motion to adjourn the meeting. The motion was approved and seconded by Ms. Drummond.

The next meeting of the Greenville Arena District Board will be held on Tuesday, June 13th at 9:30 am in the Large Conference Room at the Arena.

Respectfully submitted,


Neetu Patel, Chairperson


Amber Drummond, Secretary