

LOUISIANA STADIUM AND EXPOSITION DISTRICT
BOARD OF COMMISSIONERS MINUTES
FROM THE MEETING OF JUNE 25, 2020

PRESENT: Commissioners Kyle M. France, Henry N. Baptiste, Hilary H. Landry, J.P. Morrell, Gregory A. Morrison, Casey J. Robin, and Wells T. Watson.

ABSENT: None

I. ROLL CALL and WELCOME

Chairman Kyle France called the June 25, 2020 meeting to order at approximately 1:06 p.m. Present were: Commissioners Kyle M. France, Henry N. Baptiste, Hilary H. Landry, J.P. Morrell, Gregory A. Morrison, Casey J. Robin, and Wells T. Watson.

Chairman Kyle M. France reads aloud the Certification Under Proclamation No. JBE 2020 related to open meetings, pursuant to which the LSED is authorized to conduct the June meeting via telephone conference.

Chairman France, with the assistance of Matt Boyd, ASM's IT Manager and Katie Bourque, ASM's Business Operations Coordinator, conducts a roll call, with six commissioners responding. Legal Counsel confirms there is a quorum in order to proceed with the Board meeting.

II. APPROVAL OF MINUTES OF MAY 28, 2020 MEETING

Chairman France asked for a motion for approval of the Minutes of the (May 28, 2020) Board Meeting. Commissioner Landry moved for approval of same, seconded by Commissioner Morrison. All were in favor, and the Minutes of the May 28, 2020 Board meeting were adopted.

III. ASM REPORT

Doug Thornton begins the ASM report by presenting an overview of the current status of venue operations, continued cost mitigation strategy through the remainder of the fiscal year, and the possibility of federal funds allocated via the Cares Act and FEMA.

Mr. Thornton provides perspective regarding the entertainment industry regarding self-imposed restrictions on capacity varied by states. Most promoters are choosing to not exceed the 50% percent level, even though they may have the lawful right to do so. Operating plans are approved by the cities or counties in which the event is being held, and is being adjusted from time to time based on COVID data in that particular community.

Further discussion regarding Phase II and the associated Guest seating manifest, wherein you have groups of six to eight people that know each other (family or friends) that may sit

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together which further enables boosted capacity by manipulating the ticket manifest and enabling certain tickets to be sold to promote social distancing.

In regards to the 2020 fiscal year budget, there has been continued cost mitigation strategy, which is continued furloughs for a number of staff. Noting that there is the need to bring some full-time staff back in the fall for the football season.

Positive news, under the CARES Act many states and cities have been allocated federal funds for infrastructure and extraordinary cost that may be related to COVID 19, so there is a possibility that some capital expenses may be eligible for reimbursement going forward. Also, looking into the potential assistance from FEMA funding a (90/10 split) very similar to Katrina.

Mr. Thornton notes that August 11th is the completion date for Broadmoor with respect to the Superdome renovation.

[This ends the General Matters report]

Evan Holmes presents the Services Report by providing updates on current renovations, calendar year 21' projects, and LSED's operating budget. Mr. Holmes mentions the Broadmoor completion of Phase 1 prior to August 11th to start turf installation and completions for football season.

Mr. Holmes notes that despite some challenges from a manpower perspective, given the pandemic, we are in a good position working with the Trahan Architects and Legends, project manager to get everything ready and available when needed. Phase II, calendar year 21' projects includes agenda item set to discuss in further detail regarding Broadmoor's design and construction team to advance design on a scope of work for the next calendar year.

Mr. Holmes emphasizes the COVID impact on LSED's operating budget and the need to support the budget by trying to self-sustain and be self-sufficient by adjusting the delivery schedule of the work to be more affordable. He briefly discusses current agenda item with respect to the approval of a \$90 million borrowing with the LSED that will be used to fund the remaining portion of the work under way in regards to renovations as well as set the stage for the next round of work. The borrowing will support our operating budget moving forward, given what we know about hotel occupancy, collections, event bookings, etc. Mr. Holmes states that he attended a final budget hearing in Baton Rouge along with Commissioner Baptiste and David Weidler that was held in front of the Senate Finance Committee with no major news to report.

[This concludes the Services Report.]

Alan Freeman presents the Facility Operations Report noting that almost all events that were previously contracted from 2020 have migrated into 2021, and most are looking for date opportunities in the second quarter of 2021. The International Chiefs of Police Reception, which was scheduled for the Superdome and Champions Square in October has cancelled, as did the Moonlight and Miracles event, and Impractical Jokers show that was scheduled for early August.

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There are hopes to schedule non-touring events in the coming months. There are dates on hold for a Monster Truck show in the Superdome in early December and it may be the same weekend that the NBA will start playing their 2021 schedule. A PBR event is on hold for March of next year, as well as the SEC Gymnastics Championships. Preliminary discussions with SEC regarding how the seating manifest may have to be adjusted for that event are being held. Relative to upcoming Saints season, most of the staff is still on furlough, but a large portion of the operations and engineering staff will return in preparation for the upcoming Saints season. Turf installations is scheduled to begin August 10th which we hope to start sooner in order to be ready for the first Saints home preseason game on August 29th.

[This concludes the Facility Operations Report.]

IV. FINANCE REPORT

David Weidler presents the Finance Report by stating a break-even for the current fiscal year. Mr. Weidler notes, a submitted request to supplement the budget to pay for insurance premiums that has been approved, which allowed a break even for the current fiscal year. As for the '21 budget, it is showing a \$19 million shortfall. There was some mitigation with the Capital Reserve funds for next year, insurance premiums, and additional bonds, which should put us in a positive cash position for 2021.

Doug Thornton highlights for the Board's edification, that there is still an estimated \$11.5 million funding bridge that will be filled by the bond anticipation note that was just closed on. Embedded in the budget are the cost mitigation efforts (fixed costs and variable cost reductions). Hypothetical assumptions about hotel occupancy tax collections have been made and have not changed since the last meeting. There has not been any significant uptick in the occupancy rates and notes that it is the same budget that was presented in May with the same general assumptions.

[This ends the Finance Report.]

V. CONSTRUCTION REPORT

Eileen Long presents a brief summary of the construction projects.

Superdome Renovations: The design and construction team are working feverishly to finish Phase I construction, work on the design for Phase II, and plan the future phases of III through V.

Alario Center kitchen replacement project: LSED attorneys worked out an agreement with the surety company of the terminated original contractor and they have agreed to sign. We hope to get the Notice to Proceed out by July 6th to be done with the job by the first week of May 2021.

TPC-Louisiana Clubhouse: The bunker renovations and design drawings have been finished for TPC Louisiana. The project is still being held and will be relooked at in the

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beginning of 2021. The clubhouse roof is completely done and a substantial completion certificate has been written on that job. Currently there are no more TPC jobs underway.

Westwego Sports Complex: Originally, it was anticipated to have about \$30 million to spend on Phase I, which would have given us around 26 million of actual construction costs. It now looks to be reduced to about \$20 million, which only gives us about \$17 million. We are working through to see what the \$17 million gives us or if we need a little bit more. This should be finalized by next week and we should have a new site plan, so we can go ahead and put out for pricing, the Sports Management RFQ, and also the Construction Manager RFP.

Chairman France comments on the Sports Management for Westwego project. He states its best to continue to complete the project and to speak to that at the next meeting with the Parish. Chairman France notes that the Parish might be moving in the direction to manage it themselves and believes it's important to have outside management but emphasizes it's the decision of the Parish. Mr. France asks the status of the RFP and Eileen notes that the RFP is 85 to 90 percent done and the only thing Mike Millet needs is to finish working through the budget and the new site plan with the reduced amount of money, which should take a week.

Commissioner Morrison suggest after the Fourth of July holiday to start having a weekly Construction Committee meeting call every couple of weeks with construction management to have a better understanding of things that are going on.

VI. LEGAL REPORT

Shawn M. Bridgewater introduced the LSED Legal Report and presented the following 10 Resolutions, which were approved by the Board of Commissioners as noted below:

On motion of Commissioner Morrison, seconded by Commissioner Robin, the LSED authorized and approved an appropriation from the LSED Capital Reserve Account in the amount of \$78,919.67 to purchase equipment and make repairs necessary to maintain and operate the Mercedes Benz Superdome, the Smoothie King Center, and Champions Square for the 2019-2020 Fiscal Year. The funding source is the LSED Capital Reserve Account, and there are sufficient funds to support this Resolution. Approval of the Resolution was recommended.

Voting in favor were Commissioners France, Baptiste, Landry, Morrell, Morrison, Robin, and Watson. Voting against: None Abstaining: None Absent: None. Motion **20-24 passed**.

On motion of Commissioner Landry, seconded by Commissioner Baptiste, the LSED authorized and approved the LSED Budget for the 2021 Fiscal Year (July 1, 2020 through June 30, 2021), including the Summary; Consolidated Cash Flow Statement; Facility Statement of Income for Mercedes-Benz Superdome; Facility Statement of Income for the Smoothie King Center; and the Administrative Services Budget. Approval of the Resolution was recommended.

Voting in favor were Commissioners France, Baptiste, Landry, Morrell, Morrison, Robin, and Watson. Voting against: None Abstaining: None Absent: None. Motion **20-25 passed**

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On motion of Commissioner Landry, seconded by Commissioner Morrison, the LSED ratifies and approves Change Order numbers 3 and 4 to the Guaranteed Maximum Price with respect to Phase 1a of the 2019 Superdome Capital Improvements Project. GMP Change Order No. 3 is for the reconciliation of Project allowances and is a no cost change order. GMP Change Order No. 4 represents an increase to the GMP of a not to exceed sum of \$1,174,344.00. Change Order nos 3 and 4 been approved by the Project Manager and the Project Team, consisting of the ASM Representative, the LSED Project Representative, and the New Orleans Saints Project Representative. The source of funds for Change Order no 4 is the Project Budget and there are sufficient funds to support the resolution. Approval of the Resolution was recommended.

Voting in favor were Commissioners France, Baptiste, Landry, Morrell, Morrison, Robin, and Watson. Voting against: None Abstaining: None Absent: None. Motion **20-26 passed**

(Tab 9) – Deferred by Chairman France

On motion of Commissioner Morrison, seconded by Commissioner Landry, the LSED authorized and approved an Amended and Restated Second Supplemental Note Resolution and supplements and replaces the General Bond Anticipation Note Resolution adopted by the LSED on August 21, 2019 (as amended) to provide for the issuance of \$90,000,000 of Louisiana Stadium and Exposition District Bond Anticipation Notes, Series 2020. Approval of the Resolution was recommended.

Voting in favor were Commissioners France, Baptiste, Landry, Morrell, Morrison, Robin, and Watson. Voting against: None Abstaining: None Absent: None. Motion **20-27 passed**

On motion of Commissioner Baptiste, seconded by Commissioner Landry, the LSED authorized and approved the retention of special counsel pursuant to La. R.S. 42:262 and 42:263 to advise and assist the LSED in any and all matters relating to the establishment of a disadvantaged business program for use in connection with the LSED's contract procurement process. Pursuant to the Resolution (i) the fees and expenses with respect to the legal services shall be governed by the State of Louisiana, Hourly Fee Schedule as set by the Attorney General's Office (ii) Chairman France and Legal Counsel are authorized to negotiate and execute a Contract for Professional Services on behalf of the LSED, with same to be ratified at a subsequent LSED meeting. Approval of the resolution was recommended.

Voting in favor were Commissioners France, Baptiste, Landry, Morrell, Morrison, Robin, and Watson. Voting against: None Abstaining: None Absent: None. Motion **20-28 passed**

On motion of Commissioner Robin, seconded by Commissioner Morrison, the LSED authorized and approved the Contract for Professional Services Between the LSED and Chaffe McCall, L.L.P. for the fiscal year from July 1, 2020 through June 30, 2021. The fees and expenses with respect to the professional services shall be governed by the State of Louisiana, Hourly Fee Schedule as set by the Attorney General's Office. The resolution authorizes

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Chairman France to sign the Contract for Professional Services on behalf of the LSED. Approval of the resolution was recommended.

Voting in favor were Commissioners France, Baptiste, Landry, Morrell, Morrison, Robin, and Watson. Voting against: None Abstaining: None Absent: None. **Motion 20-29 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, 2020 through June 30, 2021 fiscal year to perform general accounting services on an hourly basis as more further described in the contract that is attached to the resolution. The resolution authorizes Chairman Kyle France to sign the Contract for Professional Services on behalf of the LSED. Approval of the resolution was recommended.

Voting in favor were Commissioners France, Baptiste, Landry, Morrell, Morrison, Robin, and Watson. Voting against: None Abstaining: None Absent: None. **Motion 20-30 passed**

On motion of Commissioner Landry, seconded by Commissioner Morrison, the LSED authorized and approved Engagement Letter of Laporte, A.P.A.C., to compile and finalize the Annual Fiscal Report for the LSED as required by the State of Louisiana, Division of Administration Office of Statewide Reporting and Accounting Policy, for the fiscal year ending on June 30, 2020 and to issue the required Accountant's Compilation Report. The resolutions authorizes Chairman France to sign the Engagement Letter on behalf of the LSED. Approval of the resolution was recommended.

Voting in favor were Commissioners France, Baptiste, Landry, Morrell, Morrison, Robin, and Watson. Voting against: None Abstaining: None Absent: None. **Motion 20-31 passed**

On motion of Commissioner Robin, seconded by Commissioner Landry, the LSED authorized and approved the Engagement Letter of Laporte, A.P.A.C., to provide the Annual Basic Financial Statements for the LSED for the fiscal year ending June 30, 2020, and to issue the required Accountant's Compilation Report. The resolution authorizes Chairman France to sign the Engagement Letter on behalf of the LSED. Approval of the resolution was recommended

Voting in favor were Commissioners France, Baptiste, Landry, Morrell, Morrison, Robin, and Watson. Voting against: None Abstaining: None Absent: None. **Motion 20-32 passed**

Commissioner's briefly discuss the hiring of Marlene Quarles.

[This concludes the Legal Report.]

VII. BOARD REPORTS

None.

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VIII. OTHER BUSINESS

Commissioner Morrell briefly discusses the current Use of Force policy at the LSED facilities in light of the current police reform conversations happening around the country with fellow Commissioners. ASM provided their current Use of Force policy and Mr. Morrell states that it is completely vague and largely unenforceable. He notes, it specifically mentions chokeholds and does not give any guidance to the commissioned security personnel that it's supposed to be addressing as to how they're supposed to do de-escalation. Mr. Morrell believes the policy needs substantial revision in order to comply with what visitors and citizens expect when they visit public facilities. Commissioner Morrell then reads into the record the desired Use of Force policy that the LSED would like to have adopted and implemented by ASM.

Mr. Thornton comments that J.P does raise a current issue and would be happy to work with him or any other Board members on adopting a new policy, but clarifies that ASM employees are only there to protect and not arrest.

Public Question: Is there an expected RFQ date for the Westwego project?
Eileen Long: Before the middle of July.

IX. ADJOURNMENT

The LSED June 25, 2020 monthly meeting adjourned at 2:24 p.m.

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