

MINUTES FOR PUBLIC MEETING OF THE
ARIZONA SPORTS AND TOURISM AUTHORITY
FINANCE, BUDGET & AUDIT COMMITTEE

Wednesday, May 11, 2011

3:00 pm

Fennemore Craig

3003 N. Central Ave., Suite 2600

Phoenix, AZ 85012

Attendance

Members

Judy Bernas - Chair

Dave Eberhart

Jody Harwood

Brad Wright

Robert Brinton

Staff

Tom Sadler, President/CEO

John Pokorney, CFO

Robin Matteson, Office Manager

Authority General Counsel

Sarah Strunk

Other Members Present

Verma Pastor

Bill Peltier

Guests

Rebekah Sanders – Arizona Republic

Peter Sullivan – Global Spectrum

Melissa Wasson – Global Spectrum

Ron Minegar – Arizona Cardinals

- 1) Call to Order - A public meeting of the Arizona Sports & Tourism Authority's (the "Authority") Finance, Budget and Audit Committee (the "Committee") was held at the office of the Fennemore Craig on May 11, 2011. A quorum being present and the meeting having been duly noticed Ms. Bernas called the meeting to order. Ms. Bernas welcomed the guests and thanked the committee for their attendance.
- 2) Consideration of Minutes from November 15, 2010. Ms. Bernas called for a motion to approve the minutes of a meeting of the Committee held November 15, 2010, attached hereto as Exhibit A. Upon motion duly made by Ms. Verma Pastor and seconded by Ms. Jody Harwood the minutes were unanimously approved.
- 3) Review and updated to Proposed 2012 Budget. Ms. Bernas asked for Mr. Tom Sadler, President and CEO to present the review of the proposed 2012 Budget. Mr. Sadler thanked Mr. John Pokorney CFO for his hard work in preparation of the budget. Mr. Pokorney then began the review of the Proposed 2012 Budget hereto Exhibit B. Mr. Sadler reminded the attendees that this document is still in draft form and the final budget would be presented to the board on May 15, 2011. Mr. Pokorney reported the successful position of AZSTA's budget in relation to the position forecasted in 2009. Mr. Pokorney reminded the committee that the forecasted budget is based upon the assumption that there will not be a double dip in

the economy or that the NFL does not experience a full season lockout. Mr. Pokorney highlighted that AZSTA expects the 2011 budgeted revenue to increase by \$2.6 M dollars. This was due to audits of past year tax positions with the Department of Revenue. Mr. Pokorney also reviewed the increased expenses for legal due to the 2010 storm damage to the stadium, several lawsuits and the Special Audit. He also reviewed the costs associated with the senior debt service being above budget due to the credit of Allied Irish Bank going down. Since that time AZSTA has replaced the letter of credit with BBVA | Compass which decreases the cost of our senior debt service. Mr. Eberhart asked for clarification regarding the YAS reserve account numbers. Mr. Pokorney explained this was due to the Auditor General's explanation as to how that money should remain in reserve. Mr. Pokorney acknowledged the work of Global Spectrum and AZSTA partners, the Arizona Cardinals in their contribution to AZSTA's positive financial position.

Mr. Peltier commented to Mr. Pokorney and the committee on the excellent year and gave compliments to AZSTA staff and Global Spectrum for their efforts.

- 4) Consideration of Executive Session. Committee Chair Bernas asked for a motion to go into executive session pursuant to A.R.S. 38-431.03.(A)(1) and (3), to discuss the salaries of employees of the Authority and to obtain legal advice from the Authority's legal counsel or to instruct the Authority's legal counsel on contract negotiations related to the Proposed 2012 Budget. Upon motions duly made by Mr. Robert Brinton and seconded by Mr. Bill Peltier, the Committee went into Executive Session. Committee Chair Bernas requested a motion to return to the open meeting. Upon motion duly made by Mr. Peltier and seconded by Mr. Brad Wright the Board unanimously approved the motion to return to the open portion of the public meeting.
- 5) Consideration of resolution for recommendation for Board Approval of Proposed 2012 Budget. Committee Chair Bernas asked for a motion to approve the resolution for recommendation of the Proposed 2012 budget to the full board. Upon motions duly made by Ms. Pastor and seconded by Mr. Wright the resolution was unanimously approved.
- 6) Announcement of Future Meeting Dates and Other Information Concerning the Committee. No meetings are scheduled at this time.
- 7) Adjournment. There being no further business of the Committee Chairman Bernas requested a motion to adjourn the meeting. Mr. Peltier moved for adjournment, which was seconded by Mr. Wright, whereupon the meeting was adjourned.

Comment [RM1]: Should it be recorded that AZSTA staff left the meeting at this time?