

Arizona Sports & Tourism Authority

MINUTES FOR PUBLIC MEETING OF THE
ARIZONA SPORTS AND TOURISM AUTHORITY
FINANCE COMMITTEE MEETING

Tuesday, June 18, 2013

10:00 AM

Arizona Sports & Tourism Authority
1 Cardinals Drive, Glendale, Arizona 85305

Attendance

Committee Members

Brad Wright – Committee Co-chair
Mike Galloway – Committee Co-chair
Bill Peltier
Verma Pastor
Dave Eberhart

Staff

Tom Sadler, CEO
Kevin Daniels, CFO
Robin Matteson, Office Manager

Authority General Counsel

Sarah Strunk, Fennemore Craig

Board Chair

Jody Harwood

Board Members

Judy Bernas
Jeff Meyer
Sherry Henry

Guests

Peter Sullivan – Global Spectrum

Melissa Wasson – Global Spectrum

1. Call to Order - A public meeting of the Arizona Sports & Tourism Authority's (the "Authority") Finance Committee (the "Committee") was held at the offices of Arizona Sports & Tourism Authority, 1 Cardinals Drive, Glendale, Arizona, 85305 at 10:00 AM. A quorum being present and the meeting having been duly noticed, Committee Co-chair Brad Wright called the meeting to order at 10:16 AM.
2. Consideration of Minutes from February 26, 2013 Committee Meeting Mr. Wright called for a motion to approve the minutes of the meeting of the Committee held February 26, 2013 **attached hereto as Exhibit A**. Upon motion duly made by Committee Member Bill Peltier and seconded by Committee Member Verma Pastor the minutes were unanimously approved.
3. Review and Update of FY2014 AZSTA Proposed Budget Committee Co-chair thanked the members of the Board who are not members of the Finance Committee for attending. Since the Finance Committee and Board Meeting agendas are almost identical, he indicated it would save time for the entire Board to hear any discussions that take place in the Committee. He then asked President Tom Sadler to present the budget. Mr. Sadler thanked the Committee and Board Members for their time when he and Kevin delivered the Budget to them to review individually prior to the meeting.

Mr. Sadler reviewed the FY2014 AZSTA Proposed Budget **attached hereto as Exhibit B**. Mr. Sadler indicated the forecast for ending FY2013 better than budget by \$5.8 M. Mr. Sadler thanked Global Spectrum for their continued hard work to reduce their operating costs and bring in new revenue. Mr. Sadler reminded the Board that \$424K is MCS D money which goes right back out to Scottsdale and Tempe. Board Member Dave Eberhart asked clarification from CFO Kevin Daniels as to the revenue distributed from MCS D. Mr. Daniels explained the projections from MCS D. Total forecasted revenues for FY2013 are approximately \$43M. Member Mike Galloway asked for clarification about the projected revenue related to the Arizona Cardinals Training Camp being held at UOP Stadium. Mr. Sadler indicated

Training Camp revenues will be reflected in the FY2014 Budget and \$125K minimum is guaranteed to come to AZSTA. Mr. Sadler and Mr. Daniels explained the forecast of TRCA and FRCA revenues for FY2014. Member Galloway asked for clarification regarding the increased expense of Football Operations. Mr. Daniels explained the additional expenses were due to the NFL security mandates set forth in the 2013 season. Member Galloway asked for staff to research the possibility for Authority employees to benefit from Arizona State Employees Health Benefits in order to save costs to the Authority. President Sadler indicated that staff or legal council would research that option and return to the Board.

Committee co-chair Wright asked for any questions regarding the budget presentation, Member Galloway asked for clarification regarding the increase in the GS Stadium Management costs of 2.21%. President Sadler explained the increase, including the General Manager's salary increase and potential bonus. Member Galloway expressed concern that the increase and bonus was not a sound business decision on AZSTA's part, based upon the recent renewal of the Global Spectrum contract. Legal Counsel Sarah Strunk shared that this budget approval was separate from the contract decision made. Member Galloway indicated he would vote against the budget due to being opposed to the increase for the General Manager, included by Global Spectrum. Member Galloway also expressed his disappointment that John Page of Global Spectrum was not in attendance.

4. Consideration of FY2014 AZSTA Budget Co-chair Brad Wright called for a motion to recommend for approval the FY2014 Budget to the full Board. Member Eberhart made a motion and Member Peltier seconded the motion. Member Galloway voted nay.
5. Consideration of Motion to enter into Executive Session pursuant to A.R.S. 38-431.03.(A)(1) to Review the 2013 Performance Goals and the Compensation of the Employees of the Authority Co-chair Brad Wright called for a motion to enter into Executive Session. Upon motion duly made by Member Eberhart and seconded by Member Pastor, the committee entered into executive session.
6. Announcement of Future Meeting Dates No meetings are scheduled at this time.
7. Adjournment There being no further business of the committee, Committee Co-chair Wright requested a motion to adjourn the meeting. Committee Member Eberhart moved for adjournment, which was seconded by Committee Member Peltier whereupon the meeting was adjourned.