



**AGENDA FOR 170th PUBLIC MEETING
OF THE ARIZONA SPORTS AND TOURISM AUTHORITY'S
BOARD OF DIRECTORS**

Wednesday, May 13, 2020 | 11 a.m.
Conference Line (877) 851-0194 | Code 480 360 4651

1. CALL TO ORDER

The meeting having been duly noticed, Chair Yonko called the 170th Arizona Sports and Tourism Authority Board of Directors meeting to order at 11:01 a.m.

2. ROLL CALL

Telephonic attendance for all attendees.

Board Members Attending

Doug Yonko – Chair
Teddy Eynon – Vice Chair
Kim Sabow - Secretary
Maria Baier
David Eberhart
Debbie Johnson
Jeff Meyer
Jeff Overton
Scarlett Spring

Staff Present

Tom Sadler – President & CEO
BJ Morley – Chief Financial Officer
Heather Harris – Manager, Administration & Grants
Sarah Strunk – Authority General Counsel

Guests Attending

Andy Gorchov – ASM Global
Melissa Wasson – ASM Global
Nancy McKenna – ASM Global
Tony Pereira – Arizona Cardinals
Bridget Binsbacher – Cactus League Association
Andy Bagnato – Bagnato Pflipsen
Kristen Pflipsen – Bagnato Pflipsen
Jaime Molera – Molera Alvarez

3. ACTION ITEM Consideration of the Draft Minutes from March 12, 2020 Board of Directors Meeting

Motion by Member Baier and seconded by Member Spring to approve the draft minutes of the March 12, 2020 Board of Directors meeting. The motion to approve passed unanimously.

4. INFORMATION ITEM Cactus League Association Update

Cactus League Association (CLA) Executive Director, Bridget Binsbacher, reviewed the CLA financial statements through March 2020. Ms. Binsbacher reported that, while things have been difficult, the CLA is in a better position than it has ever been. Income

has increased over \$80,000 and future projections will be conservative. Salaries expenses are down since the additional hire has not been brought on board.

Ms. Binsbacher continued and shared that the annual meeting will be held on June 18, 2020. The strategic plan will need to be updated, but don't anticipate any significant changes. Also, the CLA has been busier than ever and has received an influx of inquiries about how events might move forward. The situation is very fluid, but the CLA is ready for baseball in whatever form it comes.

Chair Yonko thanked Ms. Binsbacher for the report and stated that the CLA is in a good spot with her leadership.

5. **ACTION ITEM** Review and Approval of AZSTA/ASM Global FY2020 Q3 Financials and FY2020 Capital Projects

AZSTA Chief Financial Officer, BJ Morley, presented the 3rd quarter financials for the board. Actuals are just under 10% better than budget, which is due to four months that were significantly better than expected. Facility revenues are better than budget by 6.2%, which includes the 5.1 million tax recapture from city of Glendale, which is a one-time infusion. Total revenues are better by almost 22%.

Ms. Morley reviewed the waterfall distributions. The distribution is better than budget for operations and Ms. Morley identified the areas of savings through the month of March. Indirects and Cardinals gameday expenses were also better than budget.

ASM Global Assistant General Manager, Melissa Wasson, presented the ASM Global budget for the board. The March Home Show and Mecum Auto Auction were the last events before COVID with Mecum coming in better than budget. Overall, revenues are 1.9 million better than budget. Ms. Wasson stated that the events in the first quarter boosted revenues. Budget projections for the remainder of the fiscal are expected to beat budget by \$700,000, even with no events scheduled.

Ms. Wasson reported that graduations and an RV show are scheduled. A plan is in place to include social distancing and other measures, but ASM is looking for guidance from Governor's office. School districts that have not hosted at the stadium in the past are reaching out to hold their graduations at the stadium as well. In addition to the potential graduations, at the request of Tom Sadler, AZSTA President and CEO, ASM Global General Manager Andy Gorchov described for the board discussions being held to potentially host seven supercross events that would not be attended by fans.

Ms. Wasson announced that, even with no events, the benchmarks will be met and will beat budget thanks to a positive year prior to COVID-19.

Mr. Gorchov reviewed the capital projects for the board. There are two outstanding projects, but are looking good and on budget. Contingency spending is not anticipated to be needed.

Motion by Member Baier and seconded by Vice Chair Eynon to approve the AZSTA/ASM Global FY2020 Q3 Financials and FY2020 Capital Projects. The motion to approve passed unanimously.

6. **ACTION ITEM Review and Approval for Preliminary Capital Project Requests for FY2021**

Agenda item 7 presented prior to this item.

Mr. Sadler introduced to the board the critical capital items that should begin prior to the June 2020 meeting. Mr. Gorchov presented the proposal for the preliminary capital items. There are three items critical to operations: rail lubricators for the field tray, consulting and design work for the HVAC/lighting control systems to have a solid estimate for the project cost, chiller rebuild to complete before the summer temperatures.

Motion by Member Spring and seconded by Member Overton to approve the preliminary capital project requests for FY2021. The motion to approve passed unanimously.

7. **INFORMATION ITEM Review Year-End Projects and Future Forecasts**

Presented prior to agenda item 6.

Ms. Morley reviewed the future forecasts for the board. Ms. Morley stated that the April revenues are better than predicted. Ms. Morley reviewed the waterfall and noted that the tourism bucket will be impacted due to the May/June missed revenue. The operating expense forecast is in a \$336,276 positive position. Ms. Morley also reviewed the cash forecast through the end of FY2020.

Ms. Morley stated that the FY2021 forecast assumes to be down by 75% in the 1st quarter, 50% in the 2nd quarter, and by 25% in the 3rd and 4th quarters. Projections for FY2022 also assume revenues to be down by 25%.

Mr. Sadler added that AZSTA/ASM Global are looking at the cost associated with post COVID-19 crisis for FY2021 and these costs will be presented to the board in June. Mr. Gorchov provided a brief view of the task force to ensure the safety and health of employees and visitors. Mr. Gorchov described the efforts of the task force and what is being reviewed for operations.

Member Eberhart inquired about other NFL teams playing at State Farm Stadium. Mr. Sadler stated that it is a possibility.

8. **INFORMATION ITEM FY2021 Budget Scenarios**

Mr. Sadler introduced the evolution of the budget scenarios and requested Ms. Wasson present the various scenarios for the board. Ms. Wasson stated that the situation has been fluid, but arrived at a baseline budget based on events currently scheduled and potential events based on inquiry. Secondly, a budget for the first six months that assumes no

events, and then, another scenario with football only with no spectators. Lastly, the third scenario assumes that the January – June 2021 events would occur as normal.

Chair Yonko inquired if the scenarios discussed will be presented in a more tangible form. Ms. Wasson affirmed the tangible scenarios will be presented at the June Board of Directors meeting.

9. **INFORMATION ITEM** Announcement of future meeting dates and events

Ms. Harris communicated that the Finance Committee meeting and Board of Directors meeting are scheduled for June 25, 2020.

10. **ACTION ITEM** Consideration of Motion to enter into Executive Session pursuant to A.R.S. §38-431.03(A)(3) and (4) to receive legal advice with the Authority general counsel regarding certain legal matters for stadium operations and liability in relation to the COVID-19 Pandemic, update on certain contract matters with respect to Cactus League, and personnel matters.

Motion by Member Baier and seconded by Vice Chair Eynon to convene into Executive Session. The motion to approve passed unanimously.

The board received legal advice from the Authority general counsel regarding certain legal matters for stadium operations and liability in relation to the COVID-19 Pandemic, an update on certain contract matters with respect to Cactus League, and personnel matters.

Motion by Member Baier and seconded by Secretary Sabow to adjourn the Executive Session and reconvene the public meeting. The motion passed unanimously.

11. **ADJOURNMENT**

There being no further business to discuss, Member Baier made a motion to adjourn the meeting, which was seconded by Secretary Sabow. Upon unanimous approval, the meeting adjourned at 12:32 p.m.