



**AGENDA FOR PUBLIC MEETING  
OF THE ARIZONA SPORTS AND TOURISM AUTHORITY'S  
FINANCE COMMITTEE MEETING**

Thursday, June 25, 2020 | 9:45 a.m.

[Zoom Video Conference](#) or Call In (646) 558-8656

Meeting ID 852 5836 0811 | Password 794940

1. **CALL TO ORDER**

The meeting, having been duly noticed, Finance Chair Overton called the meeting to order at 9:48 a.m.

2. **ROLL CALL**

Board Members Attending

Jeff Overton – Finance Chair

Kim Sabow

Teddy Eynon

Scarlett Spring

Doug Yonko – Board Chair

Staff Present

Tom Sadler – President & CEO

BJ Morley – Chief Financial Officer

Heather Harris – Manager, Administration & Grants

Sarah Strunk – Authority General Counsel

Auditor General

Cathy Clark

Jessika Hallquist

Guests Attending

Andy Gorchoy – ASM Global

Melissa Wasson – ASM Global

Nancy McKenna – ASM Global

Andy Bagnato – Bagnato Pflipsen

Kristen Pflipsen – Bagnato Pflipsen

Jen Fifield – AZ Republic

3. **ACTION ITEM:** Consideration of Minutes from June 2, 2020 Finance Committee Meeting  
Motion by Member Spring and seconded by Member Eynon to approve the draft minutes of the June 2, 2020 Finance Committee meeting. The motion to approve passed unanimously.

4. **ACTION ITEM:** Review and Consideration of AZSTA/ASM Global FY2021 Budget  
AZSTA CFO BJ Morley introduced the AZSTA/ASM Global FY2021 proposed budget to the committee. Beginning with an overview, Ms. Morley pointed out that, even with the COVID-19 pandemic, AZSTA will still end the year better than FY2019 due to the very good start to FY2020. She explained that AZSTA originally drew up four budget scenarios, but as the end of the fiscal year approached, a new budget proposal was developed to capture what could be reasonably expected in the upcoming fiscal year. Ms. Morley reviewed the considerations for how the FY2021 budget was eventually determined.

Ms. Morley moved to the FY2020 forecast and identified the revenue sources and uses for the committee and noted that AZSTA will end the year better than budget. Operating and AZSTA expenses were also better than budget after all the adjustments were made for the COVID-19 pandemic.

ASM Global Assistant General Manager Melissa Wasson reviewed the FY2020 Stadium Events Forecast, which reflects a favorable variance for the current fiscal year, thanks to the record breaking events such as Rolling Stones and the Gold Cup soccer match. Ms. Wasson did note that the drop in planned events were mostly due to the loss of graduation ceremonies as a result of COVID-19. Member Spring inquired about the current status of the graduation ceremonies. Ms. Wasson stated that due to the increase in cases in the past week, many of the districts have decided not to have the ceremonies. However, new districts are now interested in the stadium as their graduation venue choice due to the ability to respond to changes quickly and flexibility.

Ms. Morley reviewed the FY2021 proposed budget, which reflects reductions in tourism and facility revenues as well as the uses, which includes waterfall distributions. Mr. Sadler added that the assumptions for Arizona Cardinals games and the Fiesta Bowl is not made on any recommendation that has been received by the Arizona Cardinals, Fiesta Bowl, or the NFL as it's too early to tell what that will look like in the fall. No word has been received from those entities. Operating expenses have also been reduced for FY2021.

Ms. Wasson reviewed the stadium budget, which she stated is a conservative approach and realistic based on where we are currently. Football games and motorsports events have been budgeted at 17.5% capacity and consumer shows at normal capacity as these events fall under the retail provision in the Governor's Executive Order. Ms. Wasson also reviewed the Adjusted Gross Revenues, expenses, and the facility manager benchmarks for FY2021. Member Spring asked if the RV show was held. Ms. Wasson stated that it was held in June with the help of Board Member Johnson who assisted in getting a plan before the Governor under the retail provision.

Ms. Morley then reviewed the operation cash inflows, outflows, and the forecasted ending balance for FY2021. Also, Ms. Morley pointed out the reference section to the committee, which included the preceding budget scenarios and a 5-year forecast.

Finance Chair Overton stated that the budget was very professionally prepared, especially in a challenging year, and reiterated that this is very conservative budget. However, the Chair hopes conditions will eventually allow more events to be added. Member Spring commented the potential scenarios provided in the budget proposal indicate how AZSTA has set aside enough funds to continue to make preparations for the upcoming mega events as well as meet our fiduciary responsibility, even in worst-case scenarios. Ms. Sabow echoed the other members compliments.

Motion by Member Sabow and seconded by Member Eynon to recommend approval to the full Board of the AZSTA/ASM Global FY2021 Budget. The motion passed unanimously.

## 5. **ADJOURNMENT**

There being no further business to discuss, Finance Chair Overton adjourned the meeting at 10:19 a.m.