

Arizona Sports & Tourism Authority

**Minutes of 105th Meeting of the Arizona Sports & Tourism Authority
Board of Directors**

November 22, 2010

10:00 a.m.

University of Phoenix Stadium

AZSTA Board Room

1 Cardinals Drive

Glendale, AZ 85305

In Attendance

Members

Bill Peltier, Chairman
Judy Bernas, Vice Chairman
Brad Wright
Jody Harwood
Jerry Walker
Robert Brinton
Verma Pastor
David Eberhart
Mike Galloway

Staff

Tom Sadler, President | CEO
John Pokorney, CFO
Robin Matteson, Office Manager | Executive Asst.

Authority General Counsel

Sarah Strunk, Fennemore Craig

Guests

Jaime Molera, Molera Alvarez Group
Peter Sullivan, Global Spectrum
Melissa Wasson, Global Spectrum
John Drum, Arizona Cardinals
Ron Minegar, Arizona Cardinals
Ken Wilson, Rojo Hospitality
Jay Fields, Fiesta Bowl

1. Call to Order. A public meeting of the of the Arizona Sports & Tourism Authority (the "Authority") Board of Directors (the "Board") was held in the AZSTA Conference Room at 1 Cardinals Drive, Glendale AZ 85305 on November 22, 2010 at 10:00 a.m. A quorum being present and the meeting having been duly noticed and called Chairman Bill Peltier called the one hundred and fifth meeting of the Board to order.

2. Consideration of July 23, 2010 Board Meeting Minutes. The Chairman asked for a motion to approve the minutes of the Board for the meeting held on July 23, 2010 attached hereto as Exhibit A. Upon motion duly made by Ms. Judy Bernas and seconded by Mr. Jerry Walker the minutes were unanimously approved.

3. Consideration of Executive Session. The Chairman asked for a motion to go into executive session for discussion or consultation with the attorneys of the Authority for legal advice pursuant to A.R.S. 38-431.03.2 regarding discussion and consideration of draft Auditor General Report required by law to be maintained as confidential. Upon motion duly made by Ms. Judy Bernas and seconded Mr. Jerry Walker the Board unanimously approved the motion to enter into Executive Session.

Chairman Peltier requested a motion to return to the open meeting. Upon motion duly made by Ms. Verma Pastor and seconded by Ms. Judy Bernas the Board unanimously approved the motion to return to the open portion of the public meeting.

4. Rojo Hospitality Update. Chairman Peltier introduced Ron Minegar who gave a brief update on the Rojo event side using a handout given to the board attached herein as Exhibit B. Mr. Minegar reported the Rojo is aggressively working to promote the stadium and attract guests. Mr. Minegar also thanked Jay Fields and the team at The Fiesta Bowl on the positive working relationship between Rojo, the Arizona Cardinals and The Fiesta Bowl. Rojo's goals were met in respect to fan satisfaction and Rojo forecasts are higher than they have ever been even in a difficult economy. Mr. Sadler commented that his conclusion is that Rojo is doing an excellent job in providing concessionaire services to the stadium as well as the event management side of the organization.

5. Fiesta Bowl Update. Mr. Sadler presented the Fiesta Bowl Calendar of events attached hereto as Exhibit C. Mr. Sadler then introduced Jay Fields of the Fiesta Bowl. Mr. Fields also complemented the cooperation between Rojo, Cardinals and the Fiesta Bowl this season indicating that the relationships have never been more positive. Mr. Fields updated the board of the events leading up to and including the games and how the staff is working to ensure the events go smoothly. Mr. Brad Wright shared his perspective regarding the operation level and cooperation between the Fiesta Bowl and the Authority and thanked him for the hard work and effort.

6. Molera Alvarez Group Update. Mr. Peltier introduced Mr. Jaime Molera of Molera Alvarez Group to give a brief update of his work for and with the Authority. Mr. Molera presented a handout of the 2010 Arizona General Election Results hereto attached as Exhibit D and how those results may impact the Authority.

7. Cactus League Update. Mr. Wright shared that the last Cactus League meeting the members presented a handout hereto attached as Exhibit E and updated the members on updates to the cities regarding the Cactus League Projections. Mr. Sadler summarized the report included and Mr. Pokorney gave a more detailed explanation of the report which offers a range of three different growth scenarios. Mr. Brinton commented about the slight growing occupancy rate within the hospitality industry but the projections will be difficult and the recovery will be slow in Arizona. SB 1070 could still provide an impact in the recovery.

8. Youth and Amateur Sports Update. Ms. Pastor shared that the Youth and Amateur Sports Biennial Grants are in the 2nd year of the 2009 of the grant cycle. Ms. Pastor asked Robin Matteson to give report on the status of both the biennial and quick grants. Robin presented to the board two handouts attached hereto as Exhibit F. Ms. Matteson also informed the board the new procedures in place in receiving reports from the grantees and ensuring that staff is receiving reports and reimbursements in a timely manner and adhering to the policies. Mr. Molera asked for an update of what and where grants are being funded to provide to the legislatures in their districts. Staff will work on providing that information to Jaime Molera Group.

9. Finance Committee Update. Ms. Bernas updated the board on the finance Committee Meeting held in November and the cash flow projections. Ms. Bernas then asked Mr. Pokorney and Mr. Sadler to give detailed information that was given to the board attached hereto as Exhibit G.

Mr. Pokorney directed the board through the documents and explained in detail the financial status YTD including the areas where there AZSTA was over budget. Mr. Pokorney updated the board on the line of credit process. Mr. Pokorney also presented the Financial Audits for both the Authority and UOP Stadium attached hereto as Exhibits H and I. Mr. Eberhart asked that in relation to the cost of utilities to the stadium if there is cost increase significance when the roof is closed during a Cardinals game and if so does the Cardinals share the cost with the stadium. Mr. Peter Sullivan answered that there is not an increase in cost as the stadium uses fresh air pulled in from outside and therefore the air conditioning is not used.

10. Ratification of Rojo Escrow Agreement. Mr. Sadler gave background on the Rojo Escrow Agreement with the Authority attached hereto as Exhibit J. Mr. Sadler indicated legal counsel has reviewed the Escrow Agreement and it has been executed. Chairman Peltier asked for a motion to recommend the ratification of the Rojo Escrow Agreement. Mr. Walker motioned to accept the agreement, Ms. Bernas seconded the motion and the ratification was accepted.

11. Announcement of Future Meeting Dates and Other Information Concerning the Board. There are no future meetings scheduled.

12. Adjournment. There being no further business of the Board the Chairman requested a motion to adjourn the meeting. Upon motion duly made by Ms. Pastor and seconded by Ms. Bernas. The motion to adjourn was unanimously approved.

EXHIBIT A

Minutes from the July 23, 2010 Board meeting

**Minutes of 104th Meeting of the Arizona Sports & Tourism Authority
Board of Directors**

July 23, 2010 at 10 am
University of Phoenix Stadium
AZSTA Boardroom
One Cardinals Drive
Glendale, AZ 85305

Attendance

Members

Bill Peltier, Chairman
Verma Pastor
Brad Wright
Judy Bernas
Robert Brinton, absent
Jody Harwood
Jerry Walker
Dave Eberhart

Staff

Tom Sadler, President/CEO
John Pokorney, CFO
Amy Buchan, Office Manager

Guests

John Drum, Arizona Cardinals

1. Call to Order. A public meeting of the Arizona Sports & Tourism Authority (the "Authority") Board of Directors (the "Board") was held telephonically. Members of the public were invited to participate in the AZSTA Board Room located at 1 Cardinals Drive, Glendale AZ 85305 on July 23, 2010 at 10 am. A quorum being present and the meeting having been duly noticed and called, Chairman Peltier called the meeting of the Board to order.

2. Consideration of minutes from the June 3, 2010 Board Meeting- The Chairman asked for a motion to approve the minutes of the Board for the meeting held on June 3, 2010 (Exhibit A.) Ms. Judy Bernas moved to approve the minutes which was seconded by Mr. Jerry Walker. Upon motion duly made and seconded the minutes were unanimously approved.

3. Updates on the Authority's FY2011 Budget- Mr. Tom Sadler welcomed John Drum from the Arizona Cardinals to the meeting. Finance Chair, Ms. Jody Harwood, gave highlights of the finance committee meeting, which included the changes to the fiscal year ending in June.

Mr. Sadler reminded the board of the purpose of today's meeting. The Board approved a budget where the tourism budget remains flat in terms of tourism revenue. The actual funds were higher than approved.

Mr. John Pokorney reviewed that the FY10 forecasted end of year actual and the FY11 budget which had been projected at \$19.9 million in tourism revenue. In June, the Authority received \$800k more than forecasted. The discrepancy occurred because the FY10 forecast included in the FY11 budget still included the June projection based on the September 2010 budget update. The additional

\$800k put FY2010 ending at \$20.7 million. FY11 Budget is updated to \$20.7 million to match FY10 projected actual. The additional funds allow the Authority to fund one additional month to the Youth and Amateur sports account- \$750k to \$920k. Changes include \$6.4 million in operating cash balances at the end of next year's projections.

4. Consideration and approval of the Authority's FY11 Budget- Mr. Walker made a motion to approve the new and revised FY11 budget and was seconded by Ms. Bernas. Upon motions duly made and seconded the new officers were unanimously approved.
5. Board to consider authorizing the HR Committee to evaluate staff compensation levels- HR Committee Chair, Ms. Bernas mentioned that the HR committee hasn't been able to evaluate the staff compensation levels for years and would like the committee to take on that task. Both Mr. Wright and Mr. Walker agreed that it was a good idea to review staff compensation levels. Mr. Walker made a motion to authorize the HR Committee to evaluate staff compensation levels and report back to the board and was seconded by Mr. Wright. Upon motions duly made and seconded the motion was unanimously approved
6. YAS Update- YAS Committee Chair, Mr. Walker, reviewed the organizations who submitted project revisions to their original projects submitted. Amy Buchan gave an overview of the two organizations and their proposed changes the projects. The City of Mesa and Deer Valley School district were both denied the change to the scope of their project. Mr. Walker stated that the committee reviewed both project changes closely but the committee cannot allow complete project changes. The organizations are wonderful and we have encouraged them to apply for the next cycle.
7. Announcements of Future Meeting Dates and Other Information Concerning the Board. There are no future meetings scheduled.
8. Adjournment. There being no further business of the Board the Chairman requested a motion to adjourn the meeting. Upon motion duly made by Mr. Wright and seconded by Mr. Walker. The motion to adjourn was unanimously approved.

Exhibit B
Rojo Event Management 2010 – 2011 Event Management

Exhibit C
Fiesta Bowl Combined Game Week Calendar

Exhibit D
The Molera Alvarez Group 2010 Arizona General Election Results

Exhibit E

Arizona Sports and Tourism Authority Cactus League Updates – November 2010

Exhibit F
Updates for Youth and Amateur Sports

Exhibit G
Financial Updates

Exhibit H
AZSTA Financial Statement

Exhibit I
UOP Basic Financial Statements

Exhibit J
Rojo Escrow Agreement