

Arizona Sports & Tourism Authority

**Minutes of 129th Public Meeting
of the Arizona Sports & Tourism Authority Board of Directors**

Wednesday, September 24, 2014

12:00

University of Phoenix Stadium

1 Cardinals Drive, Glendale, Arizona 85305

In Attendance:

Board Members Present

Verma Pastor – Board Chair
Dave Eberhart – Board Secretary
Sherry Henry
Jeff Overton
Jody Harwood
Mike Galloway
Tom Rawles

Board Members Participating Telephonically

Maria Baier

Staff

Tom Sadler, CEO
Kevin Daniels, CFO
Robin Lea-Amos, Office Manager

Authority General Counsel

Sarah Strunk

Authority Special Counsel

Kevin Bonner

Guests

Jaime Molera – The Molera Alvarez Group
Peter Sullivan – Global Spectrum
Melissa Wasson – Global Spectrum
John Drum – Arizona Cardinals
Andy Bagnato – Bagnato Pflipsen Communications

Nicole LaPella – Arizona Office of the Auditor
General
Ron Minegar – Arizona Cardinals
Peter Corbitt – Arizona Republic

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1. Call to Order - A public meeting of the One Hundred and Twenty-ninth Arizona Sports & Tourism Authority's Board of Directors was held on Wednesday, September 24, 2014 at the offices of Arizona Sports and Tourism Authority, located at 1 Cardinals Drive, Glendale, AZ 85305. A quorum being present and the meeting having been duly noticed, Chair Jeff Meyer called the meeting to order at 12:20 pm. Mr. Meyer then welcomed the guests and gave his congratulations on the re-appointment of Member Henry by Governor Brewer.
 2. Consideration of Minutes from June 26, 2014 Board Meeting - Chair Meyer called for a motion to approve the minutes of the Board meeting held June 26, 2014 **attached hereto as Exhibit A**. Upon motion duly made by Member Rawles and seconded by Member Harwood, the minutes were unanimously approved.
 3. Consideration of Motion to enter into Executive Session pursuant to A.R.S. § 38-431.03 (A)(3) regarding legal advice with attorneys of the Authority regarding certain litigation and dispute matters involving the Authority: including Saban v. Arizona Department of Revenue and Tourism and Sports Authority v. Hunt Construction (MSE Wall litigation) – Upon motion duly made by Member Harwood and seconded by Member Rawles, the Board entered into Executive Session.

4. Presentation on Open Meeting Laws and Conflicts of Interest - Chair Meyer introduced General Council, Sarah Strunk who reviewed Open Meeting Laws & Conflicts of Interest as it pertains to the Board of Directors. The overview is attached hereto as **attached hereto as Exhibit B**. Ms. Strunk also instructed the members of AZSTA staff and board to complete the provided disclosure statements regarding conflicts of interest and return them to Robin Lea-Amos for filing at the AZSTA offices.
5. Super Bowl XLIX Update – Mr. Sadler provided an update on the preparation for Super Bowl 49 and the activities leading up to the game. Mr. Sadler shared that the stadium is the process of being certified under the Federal Safety Act to qualify for a national certification that once received, the University of Phoenix stadium will be only one of three stadiums in the country with this certification.
6. College Football Championship Update – Chair Meyer asked Mr. Sadler to provide an update to the board regarding the 2016 College Football Championship Game. Mr. Sadler provided an update including a draft of the AZ 2016 Local Organizing Committee organizational chart and roster of Board member **attached hereto as Exhibit C**. Mr. Sadler also shared that the staff from the CFP will be coming this fall to visit the stadium and event sites.

Board Member Eberhart asked for clarification about the various games and the how the new playoff series line up will look. Mr. Sadler explained the following line up:

- December 31, 2014 The Fiesta Bowl – also called “Host Bowl”
- January 1, 2016 The Fiesta Bowl - Host Bowl
- January 11, 2016 Championship Game
- 2017 Semi-Final game

7. Final Four Bid Update – Mr. Sadler shared the status of the Final Four Bid and the recent visit by the NCAA to Phoenix. Mr. Sadler shared that the expected announcement of the host cities will be made in November 2014. Mr. Sadler introduced Andy Bagnato to share his view of the media impact of the visit. Mr. Bagnato indicated that based on social media interest, the community appears very excited about the prospective of hosting a Final Four.
8. Cactus League Committee Meeting Preview – Mr. Meyer introduced Cactus League Chair Jeff Overton to give an overview of the upcoming Cactus League Meeting which will be held in October. He introduced the Cactus League Sub-committee Members; Maria Baier, Sherry Henry and Jody Harwood. Mr. Overton then presented the following possible topics to be reviewed;
 - Review the mission statement and the intent of the Cactus League Committee
 - Review the current IGA’s
 - Review the original estimated Cactus League Promotional Account vs. current AZSTA forecast
 - Any other key issues or opportunities of the committee
9. Financial Committee Meeting Preview –Finance Committee Chair Mike Galloway introduced the other members of the Finance/HR Committee members; Jody Harwood, Dave Eberhart, Tom Rawles. He then presented the following possible topics to be discussed at the upcoming telephonic meeting on September 29, 2014.
 - Capital improvements for the stadium. Mr. Galloway asked Mr. Sadler to share the potential capital improvements to the board. Mr. Sadler explained that in 2012 the board approved a Capital Reserve of \$1 Million and that staff would come back the board with

the expenditures planned. Part of the reserve has been used for the LED lights in the stadium. The up-coming items; one of which is unforeseen, will exceed the \$1 Million threshold; staff would like to present those recommendations of those acquisitions, and discuss the potential for a budget adjustment to accommodate those needed items.

- A possible job study for AZSTA staff and the potential for the Board to hire a consultant look at the pay scale of the staff.

Mr. Galloway invited any and all Board members to participate in any Finance Committee meeting.

10. Future Action Items – Mr. Sadler indicated this item had been covered.

- Potential NFL Pro-Bowl Resolution

11. Annual Financial Audit Update – Chair Meyer asked CFO Kevin Daniels to present an update of the Annual Financial Audit Update **attached hereto as Exhibit D**. Mr. Daniels explained the auditor again this year is Eide Bailey for both Global Spectrum and AZSTA. He thanked the Global staff for their hard work. The full disclosure and expressed opinion will be delivered to AZSTA by October 31, 2014.

12. AZSTA Staff Planned Initiatives – Chair Meyer explained that each year staff establishes initiatives or goals for the upcoming year with input from the Board Chair. Mr. Sadler reviewed the initiatives **attached hereto as Exhibit E**. Mr. Sadler asked the board if they had any questions or comments. Member Pastor, complimented staff on the amount of duties and work that is coming in 2015 and the excellent job the staff consistently performs.

Break

13. Arizona Auditor General's 2015 Performance Audit Timeline – Mr. Sadler explained that this is the 3rd Performance Audit for AZSTA since its inception in 2000 and reminded the board this is a regularly scheduled audit. Ms. Strunk explained the difference in this regularly schedule performance audit where they Auditor General is essentially reviewing the performance of the agency, versus the special audit called in 2009 which was called by the legislature. Mr. Sadler reviewed with the board the timeline, **attached hereto as Exhibit F**.

14. Youth & Amateur Sports Update – Robin Lea-Amos presented an update on the FY2014 Biennial Grants and the FY2014 Quick Grants **attached hereto as Exhibit G**. Ms. Lea-Amos shared the status of the three Biennial Grants that have requested extensions as well as the two Grants that withdrew from this cycle. Ms. Harwood shared with the board how enjoyable it is to visit grant project sites and encouraged other board members to try to get to the sites when possible.

15. Board/Committee 2015 Meeting Dates, Committee Assignment –Mr. Meyer shared the FY2015 AZSTA Committee Assignments **attached hereto as Exhibit H**

16. Announcement of Future Meeting Dates - Chair Meyer reiterated that the upcoming Finance Committee meeting will be held on September 29 and the Cactus League Committee meeting is scheduled for October. Mr. Meyer indicated a Board meeting would be taking place within the next few weeks.

17. Adjournment – There being no further business of the board, Mr. Meyer asked for a motion to adjourn. Upon motion duly made by Member Rawles and seconded by Member Henry, the meeting was adjourned.