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**Minutes of 133<sup>rd</sup> Public Meeting  
of the Arizona Sports & Tourism Authority Board of Directors**  
Wednesday, April 15, 2015

1:00 pm

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

**In Attendance:**

**Board Members**

Jeff Meyer – Board Chair  
Dave Eberhart – Board Vice-Chair  
Maria Baier - Board Secretary  
Jeff Overton  
Jody Harwood  
Mike Galloway  
Tom Rawles  
Verma Pastor  
Sherry Henry  
Judy Bernas – (Pending Senate Confirmation)

**Staff**

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

**Authority General Counsel**

Sarah Strunk

**Guests**

John Drum – Arizona Cardinals  
Ron Minegar – Arizona Cardinals  
Jay Parry – AZ Super Bowl Host Committee  
Peter Sullivan – Global Spectrum  
Scott Norton – Global Spectrum  
Dale Chapman – AZ Office of the Auditor General  
Nicole LaPella - AZ Office of the Auditor General

Peggy A. Fiandaca - Partners for Strategic Action, Inc  
Dawn Rogers – ASU  
Melissa Wasson – Global Spectrum  
Jamie Molera – Molera Alvarez Group  
Jeff Gove - AZ Office of the Auditor General  
Peter Corbitt – Arizona Republic

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1. Call to Order – The 133<sup>rd</sup> public meeting of the Arizona Sports & Tourism Authority’s (the "Authority") Board of Directors was held on Wednesday, April 15, 2015 at the offices of the Authority, 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 1:06 p.m. Upon the meeting having been called to order, Mr. Meyer welcomed the guests in the room and asked them to introduce themselves.
  2. Consideration of Minutes from January 22, 2015 Board Meeting - Chair Meyer called for a motion to approve the minutes of the Board meeting held January 22, 2015 **attached hereto as Exhibit A**. Upon motion duly made by Member Rawles and seconded by Member Pastor, the minutes were unanimously approved.

3. **INFORMATION: Status of 2016 College Football Playoff Championship Game** - Chair Meyer changed the order of the agenda due to some audio visual issues for the Super Bowl Summary and moved agenda item 4 up to item 3. Mr. Sadler gave the board a status of the upcoming College Football Playoff Championship Game (the "CFP"), as well as a summary of when the future playoff games will be played. The upcoming CFP will be held January 11, 2016 at the University of Phoenix Stadium and the Fiesta Bowl will be held January 1, 2016. In 2017, the University of Phoenix Stadium will host a semi-final playoff game, which is just as large as the championship game, but will not host a Fiesta Bowl. Member Eberhart asked who controls the tickets for the CFP and Mr. Sadler answered that the CFP controls all of the ticket allocation.
4. **INFORMATION: Review of Super Bowl XLIX** - Chair Meyer introduced Ms. Jay Parry of the Arizona Super Bowl Host Committee to give the Board a review of the previously held Super Bowl XLIX. Ms. Parry thanked the board for their support for the Super Bowl and for the opportunity to present a summary to the board **attached hereto as Exhibit B**. Ms. Parry shared that the Economic Impact Study is expected to be completed in June 2015. Mr. Meyer and the whole Board thanked Ms. Parry for all of her efforts to bring this event to the state and all of her hard work.
5. **INFORMATION: Status of 2017 NCAA Men's Final Four** - Chair Meyer introduced Dawn Rogers, Senior Associate Athletic Director at Arizona State University, who presented a status of the 2017 NCAA Men's Final Four Basketball Tournament (the "Final Four"). Ms. Rogers thanked the Authority and the Arizona Cardinals for their support in bringing this event to Maricopa County and gave a special thanks to Mr. Sadler for all of his work toward this effort. Ms. Rogers presented the video shared with the NCAA when the bid was presented to them. Ms. Rogers explained that ASU is the host institution for the Final Four, as is required by the NCAA. In their visit to Phoenix and the surrounding communities, the NCAA was very impressed with the prospect of the entire metropolitan area being involved in the event. Ms. Rogers also reminded the board that what sets apart the Final Four event from some of the other mega events that come to the University of Phoenix stadium is that the games are on Saturday and Monday, which leaves visitors Sunday to explore the State of Arizona or the metropolitan area.
6. **ACTION ITEM: Executive Session: Consideration of a motion to go into Executive Session pursuant to (1) A.R.S. § 38-431.03.A2 regarding a report from the Auditor General; and (2) A.R.S. § 38-431.03.A3 and A4 regarding legal advice with attorneys of the Authority regarding certain litigation and dispute matters involving the Authority, including Saban v. Arizona Department of Revenue** - Chair Meyer asked for a motion to enter into executive session which was made by Member Rawles and seconded by Member Harwood. Upon a unanimous vote, the Board entered into executive session.
7. **INFORMATION: Review of AZSTA FY 2015 Second Quarter Financials** - Chair Meyer asked Kevin Daniels, Chief Financial Officer of the Authority, to present the Second Quarter Financials **attached hereto as Exhibit C**. Mr. Daniels indicated that in the 2<sup>nd</sup> quarter the Authority had more than \$1.668 million dollars in TRCA revenue than what was budgeted, which is due in large part to a one-time prior year, adjustment from the Department of Revenue of Rental Car Surcharge tax. Member Eberhart asked if the sales tax recapture rate is increasing and Mr. Daniels answered that the sales tax rate is not increasing; however the volume of sales which we report is increasing, which is due in part to the improvement of the economy. Mr. Meyer asked

if there were any further questions, upon no questions he asked Mr. Daniels to continue with his presentation on the next agenda item.

8. **INFORMATION: Projected FY2015 Third Quarter and FY2015 End of Year Financials** - Mr. Daniels presented the Projected Third Quarter and End of Year Financials **attached hereto as Exhibit D & E respectively**. Mr. Daniels explained the good financial news in the increase in Hotel and Car Rental Surcharge revenue was due in large part to the Super Bowl and increased attendance at Cactus League.
9. **INFORMATION: Review of FY2016 Budget Preparation Timeline** - Chair Meyer asked Mr. Daniels to present a review of FY2016 Budget Preparation Timeline attached **hereto as Exhibit F**. Mr. Daniels shared with the Board that the budget development is currently underway, and the preliminary budget is estimated to be sent to the Board by June 4 and then will be presented to the board for adoption on June 17. Member Rawles asked if it may make sense to move the June 17 meeting to June 24 to coincide with the release of the Draft Audit Report from AZ Office of the Auditor General. Mr. Sadler reminded the board that on June 22 the draft audit report is simply released and the response will not be due until a later date. Member Rawles agreed that the June meeting should remain on June 17.
10. **INFORMATION: Review of Finance Committee** - Mr. Meyer indicated that Member Galloway, Finance Committee Chair had to leave the meeting early and asked Member Rawles to review the Finance Committee meeting. Member Rawles shared with the board the following substantive items discussed during the Financial Committee meeting: (1) revising the agendas to prevent duplicate items on the agenda between the Finance Committee and the Board meeting; and (2) as it relates to the changes in the Procurement Policy, staff had prepared a draft of the revised policy and the Finance Committee has requested an expanded policy including advance notice of capital acquisitions and any potential RFPs to give time to come back to the board for approval, including advance notice on all contracts over \$25,000. Member Rawles explained that the change in policy would allow the board to supervise the spending priorities and contracts of the Authority. Member Rawles also explained that the Finance Committee recommended the policy include time frames which would allow contracts to remain in place. Member Rawles indicated he would be willing to assist staff in the revisions, which will be brought back to the committee on June 17<sup>th</sup>.
11. **INFORMATION: Review of Cactus League Committee Meeting** - Member Overton gave a summary of the Cactus League meeting to the Board, including the presentation to the City of Surprise, which Mr. Sadler shared was very brief and very positive. Member Overton also shared that the Authority will be presenting an overview of Cactus League funding projections to the Cactus League constituents in August. Member Overton shared that this is combined with a communication strategy for the Authority overall. In addition, he shared that the attendance for Cactus League this spring was 1.894 million fans, which was an 11% increase over 2014. Member Henry thanked Member Overton for all of his efforts and the incredible news. Member Overton then informed the Board that the Cactus League Baseball Association will be coming out with a Cactus League Economic Impact study which will include the impact of the facilities in non-Cactus League events. Member Overton also shared that 148 games were broadcast into the various local markets and 97 national broadcasts.
12. **INFORMATION: Review of Youth & Amateur Sports Committee Meeting** - Member Eberhart gave a brief summary of the Youth & Amateur Sports Committee Meeting held on April 13,

2015. Member Eberhart indicated the timeline for the upcoming Biennial Grant Cycle is on the website and presented a summary of the 2014 Biennial Grants and FY2015 Quick Grants. Member Eberhart shared that Staff suggested the idea of having a Youth & Amateur Sports Summit, which will tentatively be held June 10 at the University of Phoenix Stadium. The summit would be an opportunity for organizations which have received funding, those who have inquired, other Youth & Amateur Sports organizations and other charities to come together to network and receive information about other funding mechanisms.

13. **INFORMATION: Overview of timeline for RFP for Management Services Agreement and RFP for Concessions Agreement** - Chair Meyer combined agenda items 13 and 14 and asked Mr. Sadler, to present an overview of the timeline for the upcoming RFP's for the Management Services Agreement and the Concessions Agreement attached **hereto as Exhibit G**. Mr. Sadler went through the anticipated dates set forth on the timeline for the Board.
14. **INFORMATION: Review Potential Consulting Needs for FY2016**
  - a. **Media Relations** - Mr. Sadler presented a brief overview of the upcoming public and media relations needs as it may relate to the upcoming mega events and the RFP process for concession and management contracts, and that as more information is available he will be presenting it to the Board.
  - b. **RFP Facilitation** - Mr. Sadler recommended discussing retaining a third party consultant as it relates to the upcoming RFP for the concession and management contracts. Member Rawles shared that the Finance Committee was unanimously in favor of hiring a third party consultant.
15. **INFORMATION: Announcement of Nomination Committee** - Chair Meyer announced that Members Harwood, Galloway and Pastor have agreed to serve on the nominating committee, as stated in resolution 2014-87 adopted by the Board last year.
16. **INFORMATION: Review of upcoming Board Strategy Planning Session** - Chair Meyer introduced Ms. Peggy Fiandaca, with Partners for Strategic Actions, who will be facilitating the upcoming Board Strategy Session to be held on April 30. Ms. Fiandaca stated her pleasure at attending the meeting and her anticipation to work with the Board on this planning session.
17. **INFORMATION: Announcement of future meeting dates** - Chair Meyer reminded the Board of the upcoming Strategy Session beginning at 9:00 a.m. on April 30, 2015 at the offices of Fennemore Craig, as well as the upcoming June 17 Board Meeting.
18. **Adjournment** - Upon motion duly made by Member Eberhart and seconded by Member Rawles the meeting was adjourned.