



**Minutes of 139th Public Meeting
of the Arizona Sports & Tourism Authority Board of Directors**

Tuesday, August 25, 2015
11:00 a.m.
Fennemore Craig
2394 E. Camelback Rd, Suite 600, Phoenix, Arizona 85016

In Attendance:

Board Members Attending in Person

David Eberhart – Board Chair
Maria Baier – Board Vice Chair
Jeff Overton – Board Secretary
Jeff Meyer
Verma Pastor
Tom Rawles
Jody Harwood

Staff

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

Authority General Counsel

Sarah Strunk
Tim Berg

Board Members Attending Telephonically

Debbie Johnson
Judy Bernas

Guests:

Melisa Wasson – Spectra (Formerly Global Spectrum) Peter Corbett – The Arizona Republic
Fred Corsi - Spectra (Formerly Global Spectrum)

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1. **Call to Order** - The 139th public meeting of the Arizona Sports & Tourism Authority's (the "Authority") Board of Directors (the "Board") was held on Tuesday, August 25, 2015, at the offices of Fennemore Craig, 2394 E. Camelback Rd, Suite 600, Phoenix, Arizona 85016. A quorum being present and the meeting having been duly noticed, Chair Eberhart, called the meeting to order at 11:06 a.m.
 2. **ACTION ITEM:** Consideration of Minutes from July 27, 2015 Board Meeting - Chair Eberhart called for a motion to approve the minutes of the Board meeting held July 27, 2015, attached hereto as **Exhibit A**. Upon motion duly made by Member Overton and seconded by Member Baier, the minutes were unanimously approved.
 3. **INFORMATION:** Discussion of Potential Additions to FY2016 Capital Improvement Projects
 - a. Floor Scrubber
 - b. Cooling Tower Fans

c. Magnetometers

Chair Eberhart asked Tom Sadler to review these items and the summaries attached hereto as **Exhibit B**. Mr. Sadler reminded the board of the age of the building and items discussed and lifetime expectancy of these items. Chair Eberhart asked if the Cardinals will be participating in the cost of the magnetometers, Mr. Sadler answered that he has had discussions with the team; however is waiting to formally ask them to participate in the cost of the certain items mentioned within until after this meeting. Member Harwood asked Mr. Sadler if he was comfortable with processes used by Global in selecting the vendors identified for the replacement items. Mr. Sadler shared that he was comfortable with the process and engaged Melissa Wasson of Spectra to share their process of determining vendors for the items. Member Baier asked whether any of the items were under warranty and Fred Corsi of Spectra summarized the details of the warranties and repairs and explained that the warranties were no longer active. Member Overton asked if there would be a cost savings to the stadium with the use of the magnetometers. Melissa Wasson answered that there is expected to be an approximate 1% increase in cost due to additional personnel for staffing and setting up the magnetometers.

4. **ACTION ITEM:** Discussion and Consideration of FY2016 Budget Adjustment to Allow for Additional Capital Improvement Projects. Mr. Sadler asked Kevin Daniels CFO to review the two reprioritized capital worksheets titled Scenario #1 and Scenario #2 attached hereto as **Exhibit C**. Mr. Daniels reminded the Board that in the FY2016 Budget \$635,000 was approved for capital improvements. Prepared for this meeting are two scenarios which change the priorities of the planned projects. Mr. Eberhart asked if the Cardinals were responsible for a portion of the costs of the magnetometers. Ms. Strunk replied that the Authority is responsible for the game day expenses. Mr. Sadler reminded the board that the first season that the stadium began ‘wandering’ guests, the team paid for ½ of the costs for wandering the first year and after that, the Authority assumed the costs.

Member Rawles said he felt the Authority should not consider Scenario # 1 until Scenario # 2 (where the Cardinals share the cost of magnetometers) has been explored. Mr. Sadler clarified his understanding that if the team is willing to share the cost, the board authorizes the purchase of the magnetometers at that time. Member Rawles motioned to adopt the capital reprioritized list as shown in Scenario #2 (below) for a total capital expenditure for FY2016 for \$630,000 which leaves the Authority with \$5,000. Motion was seconded by Member Baier and the motion was unanimously approved.

CAPITAL REPRIORITIZED AS OF AUGUST 17, 2015		
Prioritized Capital Projects in FY2016		
		Capitalize
New laptops + software for AZSTA CEO / Office Manager	complete	\$ 5,000
large floor scrubber (main concourse cleaning)	replacement	\$ 67,000
fan - cooling tower #5 (bearing assembly)	replacement	60,000
NFL Security - magnetometers - phase #1	best practice report: 08/10/15 + Cards @ 50%	173,000
Camera Upgrade	high priority project	\$ 255,000
Cooling Tower	drive shaft replacements	40,000
Hydro Scrubbers	for 'cleaning' the 'bowl' (10 years old)	30,000
Total Cost of Capital Projects: FY2016		\$ 630,000
\$ 635,000 - FY2016 budget approval		delta = \$5,000 capital remains to be spent in FY2016
New Lighting Control System	on/off from control room (10 yrs. old)	\$ 100,000
Carpet replacement - Club Level	push into FY2017 ?	105,000
Gate 1 , 3 escalator lighting	push into FY2017 ?	25,000
Redundant water supply	push into FY2017 ?	75,000
Total Cost of Capital Projects: pushed into FY2017 ?		\$ 305,000
Total Cost of Capital Projects: FY2016		\$ 935,000
\$ 635,000 - FY2016 budget approval		delta = \$300,000 capital increase needed to achieve 100%
DRAFT - for internal discussions only		
SCENARIO #2		

Chair Eberhart changed the order of the meeting to put the Executive Session at the end of the agenda.

5. **INFORMATION: Review of timelines for Food and Beverage RFP and Stadium Management RFP** Mr. Sadler reviewed with the Board the timelines for the upcoming RFP's attached hereto as **Exhibit D & E**. Chair Eberhart asked the board who would like to serve on the ad hoc/working group to review the RFP's. Ms. Strunk reminded the board that the entire board would be performing the final review of the RFP's. Member Meyer and Member Harwood volunteered to serve on the review committee for the Food & Beverage RFP. Member Overton and Member Baier volunteered to serve on the review committee for the Stadium Management RFP. Should there be a need, Member Rawles volunteered to be a backup.
6. **INFORMATION: Discussion of RFP process for Media/Public Relations Consultant and Lobbyist Consultant** Mr. Sadler reminded the board that during the strategic planning and budget process, staff had proposed engaging a consultant for PR/Media. Staff developed a RFP which was provided to the Board Chair and Member Harwood. Discussion ensued that there may be some overlap with the current lobbying consultant and the proposed PR/Media consultant and that it may be in the Authority's best interest to put out an RFP for lobbying services as well. Mr. Sadler asked if the board would like staff to move forward with this RFP in conjunction with the lobbying RFP or as separate requests. Mr. Sadler asked that staff be given the Authority to move forward in a timely manner.

Chair Eberhart asked for input or questions from the Board. Member Harwood asked Mr. Sadler if the Authority would lend out either the lobbyist or PR consultant to any of the upcoming mega events. Mr. Sadler shared that both of these consultants would work on behalf of AZSTA and additionally, the other entities should have their own consultants for these purposes. Mr. Sadler stated he envisioned the two separate entities working in tandem to support the efforts of the Authority. Member Meyer indicated he wholeheartedly agreed that the Authority needed PR assistance as well as a lobbyist and most likely separate firms for each. Member Harwood recommended the RFP's go out together and the Authority could choose to award the contract separately if decided upon.

Chair Eberhart authorized staff to go forward with developing RFP's within the next couple of weeks and the Chair will review prior to publishing.

7. **INFORMATION: Final Four Local Organizing Committee** President Sadler shared with the Board the status of newly formed Final Four 2017 Local Organizing Committee and that the committee is moving forward with the hiring of an Executive Director. Mr. Sadler asked to bring to the board at a future meeting, an agenda item whereby the Authority would consider advancing funds for the LOC to hire the Executive Director. If the Board agrees to move forward, an agreement can be developed for the LOC to refund any advance funds. After discussion, the Chair recommended Mr. Sadler and Ms. Strunk proceed with the agreement.

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8. **INFORMATION: New Business or Staff Report** Chair Eberhart asked staff for a review of the timeline for the FY2016 Biennial Grants. Ms. Lea-Amos summarized the timeline for the approval of the grants and that the next step will be for the Youth & Amateur committee to meet in September to review the applications and make recommendations for awards to the full board in October. Mr. Sadler stated that due to the dollar amount of grant requests being less than the amount set aside, he would recommend discussion as to how the board may want to allocate the other portion of the funding not requested.
9. **INFORMATION: Announcement of future meeting dates** – Chair Eberhart stated that the only upcoming meeting at this time is the upcoming Youth & Amateur Sports Meeting
10. **ACTION ITEM: 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 Eberhart called for a motion to enter into Executive Session. Upon motion duly made by Member Baier and seconded by Member Rawles, the board entered into Executive Session.

11. **Adjournment:** There being no further business, and upon motion duly made by Member Rawles and seconded by Member Baier, Chair Eberhart adjourned the meeting.