



**Minutes of 153rd Public Meeting
of the Arizona Sports & Tourism Authority
Board of Directors**

Monday, January 23, 2017

1:00 p.m.

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

Board Members attending in Person

Jeff Overton – Board Chair
Maria Baier – Board Vice Chair
Doug Yonko – Board Secretary
Jody Harwood
David Eberhart
Jeff Meyer

Staff

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

Authority General Counsel

Sarah Strunk

Board Members Absent

Debbie Johnson

Guests

Melissa Wasson – SMG
Andy Gorchoy – SMG
Kurt Freund – RBC Capital
John Snider – RBC Capital

Ron Minegar – Arizona Cardinals Football Club
Kristen Pflipsen – Bagnato Pflipsen Communications
Andrew Bagnato - Bagnato Pflipsen Communications

1. **Call to Order:** The 153rd public meeting of the Arizona Sports & Tourism Authority's (the "Authority") Board of Directors (the "Board") was held on Monday, January 23, 2017 at the offices of the Arizona Sports & Tourism Authority, 1 Cardinals Drive, Glendale, Arizona 85305. A quorum being present and the meeting having been duly noticed, Chair Jeff Overton, called the meeting to order at 1:01 p.m. Robin Lea-Amos held a roll call of members and guests participating.
2. **ACTION ITEM:** Consideration of Minutes from November 14, 2016 Board Meeting Chair Overton called for a motion to approve the minutes of the Board meeting held November 14, 2016, **attached hereto as Exhibit A.** Upon motion duly made by Member Meyer and seconded by Member Harwood, the minutes were unanimously approved.
3. **ACTION ITEM:** Review and Update on Refunding Opportunities of Senior Bonds and possible Action to Approve Resolution No. 2017-92 to Authorize the Authority to Pursue Refinancing

Opportunities with RBC Tom Sadler reviewed the history of the opportunity to refinance the Senior Bonds and that the Finance Committee had reviewed this item at the recent meeting and recommend the issue be brought before the board. Mr. Sadler introduced John Snider with RBC who gave a history of the opportunity and the potential benefits to the Board of the refinancing of the Bonds. Mr. Snider reviewed the documents provided to the Board **attached hereto as Exhibit B**. Mr. Snider shared that due to the potential savings RBC recommended to the board the refinance, with an estimated lock in date in March and closing in April. Member Eberhart reported that the Finance Committee recommended the refunding due to the savings of almost \$6 million dollars. Mr. Eberhart further reported all of the costs of the refunding are included in the projected savings and that the term will not increase.

Chair Overton thanked the staff and Finance Committee for performing the due diligence in researching this opportunity and asked the board if there were any other questions.

Member Meyer asked if there would be opportunities for future refinancing of these or other bonds. Mr. Snider answered that the opportunity would be unlikely for these bonds; however there may be an opportunity in 2021 or 2022 for the 2012 Series Bonds.

Upon no further questions and motion duly made by Member Eberhart and seconded by Member Harwood, the Resolution No. 2017-92 to Authorize the Authority to Pursue Refinancing Opportunities with RBC **attached hereto as Exhibit C** was unanimously approved.

4. **INFORMATION:** Presentation of 2016 Financial Audit Management Letters by Eide Bailly, LLP CEO Tom Sadler reported to the Board that this packet was reviewed with the Finance Committee and Mr. Andy Spillman of Eide Bailly was available to the Committee during the review. Unfortunately Mr. Spillman was unable to be in attendance at this meeting however; Mr. Sadler assured the Board that if any member requested, Mr. Spillman would be available for any questions. CFO Kevin Daniels reviewed the letters with the Board **attached hereto as Exhibit D**. Chair Overton and Finance Committee Eberhart thanked Kevin Daniels on the hard work put into completing the Audit.

5. **INFORMATION:** Review of AZSTA/SMG FY 2017 Q2 Financials, including:
 - a. Update on SMG's FY2017 Benchmarks
 - b. Impact of Arizona's 2017 Minimum Wage Increase
 - c. Capital Projects Update
 - d. Marketing Fund

CFO Kevin Daniels began the review of the financials with the Board **attached hereto as Exhibit E**. Upon the conclusion of the presentation and upon no further comments or questions, Melissa Wasson of SMG presented an update on SMG benchmarks and the impact to the stadium of the 2017 minimum wage increase also included in this Exhibit. Ms. Wasson shared that to date SMG is projecting to finish the year better than budget. Andy Gorchoy summarized the Capital Projects Update. Tom Sadler presented information related to the potential creation of a Stadium Marketing Fund; reminding the Board of the history of the fund. SMG provided in their bid \$1.5 Million in capital funds which the board approved as well as a contingency fund. The concept of the marketing fund was discussed in collaboration with SMG to attract events to the stadium. As part of the fund, there could be a community impact study completed of the recent Final Four. This would assist to provide the authority with what the value of hosting these events to the community is. Bagnato Pflipsen will take the lead in coordinating this effort with the Neilson group who will

conduct the study. Upon no further discussion or questions, Chair Overton commended both SMG and the Authority on the positive report.

6. **ACTION ITEM:** Consideration of Motion to enter into Executive Session pursuant to A.R.S. § 38-431.03(A)(3) and (4), to obtain legal advice from the Authority's legal counsel or to instruct the Authority's legal counsel on contracts being negotiated or litigation related to the matters referred to in the Agenda Chair Overton indicated there was no need to enter into executive session at this time.
7. **INFORMATION ITEM:** Update on Consulting RFP Tom Sadler provided an update on the ongoing discussion of the potential need for a consultant relative to Cactus League and the authority's funding the stadiums. The Cactus League association has requested the authority's support in hiring a consultant for the potential of seeking additional funding for Cactus League Spring Training facilities. Staff will begin drafting an RFP for the consultant and will return to the Board for approval. Member Meyer thanked the Board and staff for their consideration on this project.
8. **INFORMATION ITEM:** Update on Youth & Amateur Sports Summit Robin Lea-Amos shared that over 400 individuals had been invited to the upcoming summit which will be held February 15 and will include funders as well as non-profits. Also reported were the names of the speakers and other funders committed. She shared the expected attendance will be between 75 -100. She invited the board to attend. Chair Overton commented on how important and exciting this event will be and thanked the staff on their hard work in putting the event together.
9. **INFORMATION ITEM:** Announcement of future meeting dates Robin Lea-Amos reminded the Board of the upcoming Finance and Board meetings to be held in April 2017.
10. **Adjournment** There being no further business of the Board and upon motion duly made by Member Eberhart and seconded by Member Yonko, the meeting was adjourned at 2:00 p.m.