



**MINUTES FOR 161st PUBLIC MEETING
OF THE ARIZONA SPORTS AND TOURISM AUTHORITY'S
BOARD OF DIRECTORS MEETING**

Thursday, November 1, 2018 | 12:30 p.m.
Arizona Sports & Tourism Authority | 1 Cardinals Drive | Glendale, AZ 85305

Attendance

Board Members

Scarlett Spring Chair
Teddy Eynon
Jeff Meyer
Jeff Overton
Doug Yonko
David Eberhart
Jody Harwood
Debbie Johnson

Staff

Tom Sadler, CEO
Kevin Daniels, CFO
Robin Lea-Amos, Manager,
Administration & Grants

Board Member Absent

Maria Baier

Authority General Counsel

Sarah Strunk

Guests

Melissa Wasson – SMG
Andy Bagnato – Pflipsen Bagnato
Tony Pereira – Arizona Cardinals
Jamie Molera – Molera Alvarez
Elizabeth Hatch – Molera Alvarez

Andy Gorchov – SMG
B.J. Morley - SMG
Kristin Pflipsen – Pflipsen Bagnato
Chris Calcaterra – Cactus League

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- 1. Call to Order.** The 161st public meeting of the Arizona Sports & Tourism Authority's (the "Authority") Board of Directors (the "Board") was held on November 1, 2018 at the offices of Arizona Sports & Tourism Authority, 1 Cardinals Drive, Glendale, AZ 85305. A quorum being present and the meeting having been duly noticed, Chair Scarlett Spring called the meeting to order at 12:30 p.m. Chair Spring asked the guests to introduce themselves.
 - 2. ACTION ITEM: Consideration of Minutes from September 6, 2018 Board Meeting.** Chair Spring called for a motion to approve the minutes of the Board meeting held September 6, 2018, **attached hereto as Exhibit A.** Upon motion duly made by Jody Harwood and seconded by David Eberhart the minutes were unanimously approved.
 - 3. INFORMATION: Legislative Update** Chair Spring asked Jaime Molera to provide a Legislative update to the Board. Mr. Molera gave a brief summary of potential impact of VRBO & Air B&B as well as Uber & Lyft.
 - 4. INFORMATION: Consideration of Request by Maricopa County** Mr. Molera reported on this agenda item along with Sarah Strunk, General Counsel to the Authority. Ms. Strunk reported that the potential changes would not affect the agreement the authority has with Maricopa County.

Mr. Sadler requested that the Board for continue to review this issue and to allow Staff to communicate directly to Maricopa County.

- 5. INFORMATION ITEM: Discussion of Request from Cactus League Association for Funding from AZSTA** Cactus League Committee Chair, Doug Yonko reviewed this agenda item **attached hereto as Exhibit B** with the Board. Member Yonko reviewed the discussion held at the Cactus League Committee meeting on how AZSTA can partner with the Cactus League Baseball Association (CLBA). Member Yonko reviewed discussion held with key stakeholders and the positive response. Member Yonko reviewed with the board where the potential funding would be coming from, if AZSTA to engage in this agreement with the CLBA, Member Yonko indicated that the unanimous agreement of all of the cities included with Cactus League would need to in place.

Tom Sadler indicated there would be a Cactus League board meeting in the near future and this item would be on the agenda. He reported the next steps would be for the CLBA to come back to the authority and request this item be further considered. Mr. Sadler reported that Chris Calcaterra has been the main contact for this issue and that Member Jeff Meyer has recused himself from all discussion and decisions related to this matter.

Mr. Daniels explained the funding sources for this item and that it would have no adverse effects on Cactus League funding to the stadiums.

Chair Spring thanked the Cactus League Committee and their efforts relative to this request.

- 6. ACTION ITEM: Review and Approval of AZSTA/SMG FY 2019 Q1 Financials** Finance Committee Chair Jeff Overton reviewed this item **attached hereto as Exhibit C**. Mr. Daniels shared that currently the Authority revenue is tracking better than budget. Upon review of the expenses, Mr. Daniels reported that the Authority is tracking on budget for distributions. Andy Gorchov, General Manager to share the update on the capital items. Mr. Gorchov explained the items that needed to be reprioritized due to need and updated costs. The overall capital budget has not changed and is included in the financial packet. Upon motion duly made by Member Meyer and seconded by Member Harwood the FY2019 Q1 were unanimously approved.

Member Overton asked Kevin Daniels for an update on the annual financial audit. Mr. Daniels reported that the audit was complete and received by the Authority that day. He also reported the audit was a clean opinion and would be reviewed for approval at the next board meeting.

- 7. ACTION ITEM: Consideration and Approval of Purchase of Server** Upon motion duly made by Member Johnson and seconded by Member Harwood Purchase of Server was unanimously approved. Kevin Daniels updated the committee on the need for a new server for the Authority. The current Dell sever has experienced two drive failures in the past two years. Additionally, the server has no warranty whatsoever and is past useful business life. The server is 6 years old. The Authority's IT Consultant has recommended a new server be installed as soon as is reasonably possible. The cost for the server with software and installation is approximately \$10,700.00. Mr. Daniels recommended using the funds from the preapproved contingency fund, which will still leave in excess of \$80,000.00 available for any unforeseen needs.

- 8. ACTION ITEM: Review of and Consideration to Approve Grant for Arizona Recreation Center for the Handicapped** Chair Spring asked Tom Sadler to introduce this item to the Board. Mr. Sadler

informed the Board that approving a grant “out of cycle” has been done on two prior occasions where the need was great and timing fell outside of the regular Biennial Grant Cycle. The funding still comes from the Youth & Amateur Sports Account. Mr. Sadler asked the Board to approve the request for the amount of \$70,000.00 and asked Robin Lea-Amos to review the item with the Board. Ms. Lea-Amos reviewed the background of the request **attached hereto as Exhibit D**. Ms. Lea-Amos reported that ARCH understands the needs for the facility to be used by other organizations including local charter schools, churches, the Phoenix Police Department and Youth Clubs.

Upon motion duly made by Member Harwood and seconded by Member Johnson the Grant for Arizona Recreation Center for the Handicapped was unanimously approved.

9. **INFORMATION: Public Relations Impact Discussion of Youth & Amateur Sports Funding** Chair Spring asked Tom Sadler to introduce this item to the Board. Mr. Sadler shared that the authority has just passed the \$20 million-dollar mark in distributions. As result, Mr. Sadler asked Bagnato Pflipsen to strategize as to how to best promote this unique funding mechanism. Andy Bagnato and Kristen Pflipsen shared some ideas as how to best move forward with this promotion. Kristen Pflipsen indicated that an excellent way to publicize this would be through video. She also indicated the website is another avenue of publication. Ms. Pflipsen asked that the board members look for opportunities to promote the funding either in video or written ads during events such as the upcoming Cactus League Luncheon.
10. **INFORMATION: Discussion and Consideration of New Website Design** Mr. Sadler asked Mr. Bagnato and Ms. Pflipsen to review this item for the Board. Mr. Bagnato reported that a new website design would also enable the authority to promote the Youth & Amateur Sports Grant program through video on the website. Ms. Pflipsen indicated that ABKP would assist in the RFP process for both website design and videographer. The anticipation timeline would not begin until FY2020.
11. **INFORMATION: Saban Lawsuit Update** General Counsel Strunk indicated there was no need for this item.
12. **ACTION ITEM: Consideration of Motion to enter into Executive Session pursuant to: A.R.S. 38-431.03A3 and A4 regarding legal advice with attorneys of the Authority regarding certain litigation and dispute matters involving the Authority** Upon motion duly made by Member Overton and Member Eynon the Board entered into executive session.
13. **INFORMATION ITEM: Announcement of future meeting dates** Chair Spring asked Ms. Lea-Amos to share upcoming meeting dates and opportunities for the board.
14. **ADJOURNMENT:** Upon motion duly made by Member Harwood and seconded by Member Johnson the meeting was adjourned at 1:48 p.m.