

APPROVED MARCH 1,
2017



**MINUTES FOR PUBLIC MEETING
OF THE ARIZONA SPORTS AND TOURISM AUTHORITY'S
FINANCE COMMITTEE MEETING**

Tuesday, January 17, 2017
1:30 PM

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

Attendance

Committee Members

David Eberhart - Chair
Debbie Johnson

Staff

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

Absent

Jeff Meyer

Other Board Members Attending

Jeff Overton

Guests

Andy Gorchov – SMG
Kurt Freund – RBC Capital
John Drum – Arizona Cardinals
Andy Spillman – Eide Bailly

Melissa Wasson – SMG
John Snider – RBC Capital
Darrel Jackson – Glendale Star

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1. **Call to Order.** A public meeting of the Arizona Sports & Tourism Authority's (the "Authority") Finance Committee (the "Committee") was held 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 David Eberhart called the meeting to order at 1:30 p.m.
 2. **Consideration of Minutes from October 18, 2016 Committee Meeting.** Chair Eberhart called for a motion to approve the minutes of the Committee meeting held October 18, 2016, **attached hereto as Exhibit A.** Upon motion duly made by Member Johnson and seconded by Chair Eberhart, the minutes were unanimously approved.
 3. **INFORMATION: Potential Refunding Opportunity of Arizona Sports & Tourism Authority's 2007A Series Bonds.** Tom Sadler reviewed the history of this agenda item indicated that this would be reviewed first at the Finance Committee and then at the full Board meeting. John Snider of RBC Capital reviewed this agenda item sent via email to the Board **attached hereto as Exhibit B.** Mr. Snider reported that the rates were significantly low enough to consider re-financing. The close date could be anytime between April 1, 2017 and July 1, 2017.

CFO Kevin Daniels reminded the committee that the savings from the refinancing would flow down the waterfall, allowing for other uses by the Authority.

Member Johnson asked when we would lock in the rate. John Snider indicated it would be an approximately 60 day minimum prior to the ability to lock in the rates. Mr. Snider also reported that all costs of the senior bonds refunding issue will be included in the "issuance costs" with the new bond issue. There is one exception and that is the cost of the Swap Advisory service provider that we recently signed an agreement with to counsel the Authority on the "swap" solution (CS a traditional fixed rate bond issue).

At the conclusion of the presentation and upon no further discussions or questions, Chair Eberhart revised the agenda as follows, to allow for the schedules of the guest speakers.

6. **INFORMATION:** Presentation of 2016 Financial Audit Management Letters by Eide Bailly, LLP. Andy Spellman of Eide Bailly presented the letters **attached hereto as Exhibit F.** In summary, the Authority's 2016 Financial Audit resulted in an unqualified opinion. This translates to a clean opinion by the Auditors.

4. **INFORMATION:** Review of AZSTA/SMG FY 2017 Q2 Financials, including; a)Update on SMG's FY2017 Benchmarks b)Capital Projects Update c) Marketing Fund. Tom Sadler and Kevin Daniels reviewed with the committee the AZSTA/SMG FY 2017 Q2 Financials **attached hereto as Exhibit C.** Upon the conclusion of the presentation and upon no further comments or questions, Melissa Wasson of SMG presented the SMG information also included in this Exhibit. Andy Gorchoy summarized the Capital Projects Update **attached hereto as Exhibit D.** Tom Sadler presented information related to the potential creation of a Stadium Marketing Fund **attached hereto as Exhibit E.** Committee Chair Eberhart reminded the committee that these items would also be presented to the Board at the next Board of Director's meeting scheduled January 23, 2017.

5. **INFORMATION:** Impact of Arizona's 2017 Minimum Wage Increase. Melissa Wasson of SMG updated the committee of the impact of the recent minimum wage increase **attached hereto as Exhibit D.**

- 7 Announcement of future meetings and events – Robin Lea-Amos reminded the committee of the upcoming Board of Director's Meeting to be held January 23, 2017 at 1:00 p.m.

- 8 Adjournment - There being no further business of the committee, Chair Eberhart called for a motion to adjourn the meeting. Upon motion duly made Member Johnson and seconded by Member Overton the meeting was adjourned at 2:25 p.m.