

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

Wednesday, October 10, 2012

10:00 AM

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

Attendance

Committee Members

Brad Wright – Co Chair
Mike Galloway – Co Chair
Bill Peltier
Dave Eberhart
Verma Pastor

Board Members

Judy Bernas
Jody Harwood – Board Chair
Jeff Meyer
Sherry Henry

Staff

Tom Sadler, CEO
Kevin Daniels, CFO
Robin Matteson, Office Manager

Authority General Counsel

Sarah Strunk

Guests

Ron Minegar – Arizona Cardinals
Melissa Wasson – Global Spectrum
Scott Norton – Global Spectrum
Jaime Molera – Molera Alvarez Group
John Kaites – Public Policy Partners

1. Call to Order - A public meeting of the Arizona Sports & Tourism Authority's (the "Authority") Finance Committee (the "Committee") was held on Wednesday, October 10, 2012 at Arizona Sports & Tourism Authority, 1 Cardinals Drive, Glendale, Arizona 85305 at 10:00 am. A quorum being present and the meeting having been duly noticed, Committee Co-Chair Brad Wright called the meeting to order at 10:06 am.
2. Consideration of Minutes from May 25, 2012 Mr. Wright called for a motion to approve the minutes of the Finance Committee meeting held May 25, 2012 attached hereto as **Exhibit A**. Upon motion duly made by Member Bill Peltier and seconded by Member Verma Pastor the minutes were unanimously approved.
3. AZSTA and Global Spectrum Year to Date Financial Update Mr. Wright asked President Tom Sadler to give a summary of the Global Spectrum and AZSTA Year to Date Financials. Mr. Sadler reminded the committee that the staff updates the committee at this time on the YTD financials. Mr. Sadler asked Kevin Daniels to provide the summary to the Committee attached hereto as **Exhibit B**. Extra revenue disclosed from the car rental surcharge which Mr. Daniels did confirm as being correct resulted in YTD better than budget revenues. Mr. Galloway asked for routine updates on distributions given to the Board. Mr. Daniels reminded the Board that monthly distributions are sent to the Board and included in the Monthly report that is posted on the website.

Mr. Wright reminded the committee of the difficulties in scheduling the Finance and Board meetings held today. Historically the Committee Meeting and Board Meeting would not be on the same day. As Board Members are in attendance at the Finance Meeting, the agenda items will not be repeated in as much detail at the Board Meeting. Mr. Sadler agreed the staff would provide the requested list.

4. Overview of Arizona Sports & Tourism Authority's Procurement Policy Sarah Strunk gave an overview of the AZSTA Procurement Policy adopted by the Board of Directors in 2005 attached hereto as **Exhibit C** with an overview of the Management and Concession contracts and their status.

Committee Co-Chair Wright explained the next two agenda items are discussions on staff recommendation relative to the Management Agreement of the facility with Global Spectrum and the Concessions Agreement with Rojo Hospitality. Board Member Eberhart asked counsel for clarification on when contracts are presented to the board for ratification. Ms. Strunk explained the policy regarding the amounts that the President and CEO can enter into and when they come to the Board for ratification. Member Eberhart asked if the status of all contracts could be brought to the Board once a year. Member Galloway asked if the staff could provide a list of all ongoing contracts and their status by the next Board Meeting.

5. Discussion regarding expiration of Stadium Management Contract, Recommendation by CEO, Public Comments and Consideration of a Motion to Give Staff Direction Regarding the Stadium Management Contract President Tom Sadler presented to the Committee a memo attached hereto as **Exhibit D** outlining the recommendation to the Board regarding the current Management Agreement. Mr. Sadler explained the current Management Contract with Global Spectrum is set to expire in June of 2013 and shared his analysis including performance and fee structures listed in the memo and other documents and asked for a recommendation from the Board to waive the procurement policy and direct staff to negotiate a temporary extension with Global Spectrum past the 2015 Super Bowl activities. As part of the extension, staff would begin the RFP process in the fall of 2015. Mr. Sadler summarized the memo and explained the difficulty in beginning an RFP process during the preparation of the Super Bowl. Committee Co-Chair Wright commended Mr. Sadler indicating the documents provided were helpful for the committee and full Board to make the recommendation. Member Peltier mentioned that from a fiscal standpoint it does not make sense to enter into an RFP at this time and agrees with the recommendation to wait until after all of the 2015 Super Bowl activities conclude. Mr. Sadler asked Peter Sullivan to explain in detail the Financial Performance documented in **Exhibit D**. Member Galloway asked of Ron Minegar and Peter Sullivan what the timeline is for gearing up for the Super Bowl. Mr. Minegar and Mr. Sullivan explained the long detailed timeline involved in the successful staging of the Super Bowl which begins shortly after the award. Member Galloway also asked for the Customer Service and Patron Survey's noted in the memo included in **Exhibit D**. Mr. Sadler agreed to have those results at the next Board Meeting for review.

Member Eberhart asked of Ms. Strunk what the effect of not going out for an RFP at this time would have on a potential audit. Ms. Strunk indicated that the policy supports the

current recommendation to the Board should the Board decide the current contract in place makes sense from a business and fiscal status.

Upon motion duly made by Member Galloway to direct staff to negotiate a temporary extension to the management contract past the 2015 Super Bowl and to bring the extension to the Board for final approval at the next Board Meeting. The motion was seconded by Member Peltier and was unanimously approved.

6. Discussion regarding expiration of Concessions Contract, Recommendation by CEO, Public Comments and Consideration of a Motion to Give Staff Direction Regarding the Concessions Contract Committee Co-Chair Wright explained this agenda item as a similar recommendation as the previous agenda item. President Tom Sadler presented to the Board a memo attached hereto as **Exhibit E** outlining the recommendation to the Board regarding the current Concessions Contract. Mr. Sadler shared with the Board the accomplishments of both Rojo Hospitality Group and Rojo Event Management and the positive confirmations shared by consultant Chris Bigelow attached hereto as **Exhibit F**.

Upon motion duly made by Member Galloway to direct staff to negotiate an extension to Rojo Hospitality Group and Rojo Event Management (with yearly renewals) which will coincide with the expiration of the Management Agreement, at which time may decide to enter into an RFP, seconded by Member Pastor, the motion was unanimously approved.

Committee Co-Chair asked for any additional discussion at which time Member Galloway asked to see the customer service survey results from Rojo Event Management and Rojo Hospitality Group. Mr. Ron Minegar indicated the survey results could be given to the Board when the meeting recesses for break. Upon motion duly made by Member Galloway and seconded by Member Peltier the board recessed for a five minute break at which time Mr. Minegar distributed the Guest Satisfaction survey results attached hereto as **Exhibit G**.

7. Consideration of Motion to enter into Executive Session pursuant to A.R.S. 38-431.03.(A)(1) to Review the 2012 Performance Goals and the Compensation of the Employees of the Authority AZSTA staff was not present for the Executive Session.
8. Announcement of Future Meeting Dates No future meetings are scheduled at this time.
9. Adjournment There being no further business, Committee Co-Chair Wright requested a motion to adjourn the meeting. Upon motion duly made by Board Member Eberhart and seconded by Board Member Galloway, the motion to adjourn was unanimously approved.