

**Arizona Sports & Tourism Authority**

**Minutes of a Meeting of the Arizona Sports & Tourism Authority  
Finance, Budget and Audit Committee  
June 22, 2005, 1:00 p.m.  
Arizona Sports and Tourism Authority Offices  
14500 N. Northsight Blvd., Suite 312  
Scottsdale, Arizona 85260**

**Attendance**

**Attendees**

F. Rockne Arnett, Chairman  
Rod C. Williams  
Larry D. Landry  
Ted A. Ferris, President/CEO  
Charles M. Foley, Chief Financial Officer & Treasurer  
Peter Sullivan, Global Spectrum, General Manager  
Melissa Wasson, Global Spectrum, Finance Director

1. Call to Order. A public meeting of the of the Arizona Sports & Tourism Authority (the "Authority") Finance, Budget and Audit Committee (the "Committee") was held in the Board Room at the offices of the Arizona Sports and Tourism Authority, 14500 N. Northsight Blvd., Suite 312, Scottsdale, Arizona 85260 on Wednesday, June 22, 2005 at 1:00 p.m. A quorum being present, and the meeting having been duly noticed and called, Chairman Arnett called the meeting to order.

2. Consideration of Minutes from May 20, 2005. Chairman Arnett asked for a motion to approve and ratify the minutes of a meeting of the Committee held May 20, 2005 (Exhibit A). Mr. Landry moved the approval of the minutes. The motion was seconded by Mr. Williams and unanimously carried and it was resolved that the minutes of the May 20, 2005 meeting be approved.

3. Consideration of Fiscal Year 2006 Budget.

Chairman Arnett opened the discussion on the budget by calling on Mr. Charles Foley, Authority Chief Financial Officer and Treasurer. Mr. Landry requested time to put on the record that he had invited B & B Holdings, Inc. (d/b/a the Arizona Cardinals) an opportunity to review and comment on the proposed FY2006 budget. He concluded, for the record, that he did not receive a response from them regarding his offer. Mr. Foley proceeded to overview the FY2006 budget document (Exhibit B) with the members of the Committee. Following the overview, Mr. Williams raised several issues for consideration by the other members of the Committee as well as the Authority's staff in attendance at the meeting. Mr. Williams discussed the need to clarify the description of the Authority's car rental surcharge revenues whereby the Maricopa County Stadium District receives the first \$2.50 of the 3.25% surcharge and to clarify language describing the stadium construction costs. It was agreed that these clarifications be made to the budget. Mr. Williams raised the issue of the projected FY2006 sales tax recapture revenues from Arizona Cardinals home games and whether or not the proposed amount should be reduced due to several factors including lower-than-expected performance in this area over the past several fiscal years as well as the Cardinals having scheduled one of their 2005 NFL home games in Mexico City which means one less game for revenue generation. Upon further discussion it was agreed that the amount for fiscal year 2006 would be based on the per game average during fiscal year 2005 multiplied times nine home games. This reduced the Authority's projected revenues from this source by approximately eighty thousand dollars. Mr. Williams further raised an issue regarding the Authority's investment of idle funds specifically those held in the youth and amateur sports reserve account. Mr. Williams questioned whether the reserve account could be invested in a higher yielding Certificate of Deposit or some other financial instrument that would

generate a higher rate of return. He also questioned whether the full annual increase of \$100,000 per year into the reserve could be decreased and eventually eliminated by accruing greater and greater interest on a growing reserve fund balance. Mr. Williams moved that the Authority use its best efforts to maximize its potential investment income and to specifically investigate how interest earnings from the youth and amateur sports reserve account might help meet our annual funding obligation to the reserve. The motion was seconded by Mr. Landry and unanimously carried. Mr. Arnett questioned one line item related to insurance for fiscal year 2005 to which Mr. Foley promised a response once he had the opportunity to research the question. Mr. Arnett raised a point about the proposed fiscal year budget having a net uses balance at the end of the year. It was agreed that Mr. Foley would provide a footnote explanation on the appropriate budget schedule.

Thereafter, the budget discussion moved from the Authority's operations to those of the Authority's stadium management operator – Global Spectrum. Mr. Ted Ferris, Authority President/CEO, opened the discussion with an overview of our pre-opening services agreement with Global Spectrum and how it has and will benefit the Authority once the stadium opens in August 2006. Mr. Peter Sullivan, Global Spectrum General Manager Cardinals Stadium, provided a detailed review of the proposed Global Spectrum budget for the members of the Committee. Mr. Sullivan spoke of the firm's efforts thus far in booking the Stadium for non-football events and the high level of interest there is in the industry for the new Stadium. Following Mr. Sullivan's presentation Mr. Landry moved approval that the Committee forward the proposed fiscal year 2006 budget with the agreed-to revisions to the Authority's Board of

Directors for ratification at its meeting on June 23, 2005. The motion was seconded by Mr. Williams and carried unanimously.

4. Adjournment. There being no further business to come before the committee, upon motion duly made by Mr. Williams, seconded by Mr. Landry and unanimously carried, the meeting adjourned.

“Exhibit A”

May 20, 2005 Committee Minutes

“Exhibit B”

Arizona Sports and Tourism Authority

Fiscal Year 2006 Budget