

**Arizona Sports & Tourism Authority**

**Minutes of a Meeting of the Arizona Sports & Tourism Authority  
Finance, Budget and Audit Committee**

**June 18, 2008, 10:00 a.m.**

**Arizona Sports and Tourism Authority, Board Room  
University of Phoenix Stadium  
1 Cardinals Drive  
Glendale, AZ 85305**

**Attendance**

**Members**

Roc Arnett, Chairman  
John Benton  
Rod Williams  
Herman Orcutt, Ex-Oficio

**Staff**

Tom Sadler, President/CEO  
Charles Foley, CFO and Treasurer  
Kim Monroe, Office Manager/Executive Asst.  
Jennifer Copeland, Communications Coordinator

**Others**

Peter Sullivan, General Manager, Global Spectrum  
Patrick Talty, Assistant General Manager, Global Spectrum  
Melissa Wasson, Director of Finance, Global Spectrum (telephonically)

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 Authority's board room, 1 Cardinals Drive, Glendale, Arizona 85305 on Wednesday, June 18, 2008 at 10:00 a.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 April 7, 2008. Mr. Arnett called for a motion to approve the minutes of a meeting of the Committee held April 7, 2008 (Exhibit A). Mr. Williams moved the approval of the minutes. Upon motion duly made by Mr. Williams and seconded by Mr. Orcutt the minutes were unanimously approved.

3. Consideration of Fiscal Year 2009 Budget. Mr. Arnett called upon the Authority's Chief Financial Officer, Mr. Foley, to begin the discussion. Mr. Foley opened the discussion that the budget package had been updated to include not only the upcoming fiscal year but the Authority's long-term financial outlook and projections as well. He then proceeded to provide a detailed review of the proposed budget package (Exhibit B). During the discussion of the

Executive Summary for FY2009 the Committee recommended several changes be made. Following the detailed review of the FY2009 budget the Authority's long-term financial outlook was discussed. Mr. Foley outlined for the Committee the serious setback dealt to the Authority by the State legislature removing the guaranteed minimum from the Authority's NFL income tax revenues based on a recommendation by the Arizona Auditor General's office. He further detailed that several of the Authority's statutory requirements were put in jeopardy because of this legislative action including the Authority's ability to meet its capital repair and replacement as well as operating reserve requirements. In addition, the removal of the guaranteed minimum created a long series of projected annual operating deficits without a reasonable expectation that the Authority would be able to overcome these projected deficits within its existing statutory ability. Mr. Benton moved that the Committee recommend to the Board of Directors that the Chairman of the Board direct staff and Mr. Ted Ferris, ex-Authority President/CEO, to work with the Committee to produce a white paper that would identify the long term financial issues and possible solutions. Upon motion duly made and seconded by Mr. Williams the motion passed unanimously. Mr. Benton requested that staff notify the Chairman of the motion so the issue could be discussed at the upcoming Board Meeting. Mr. Foley continued his review of the proposed operating budget for the Authority and Global Spectrum. Chairman Arnett asked if any Committee member had any objections to the proposed budgets for the Authority and Global Spectrum. The Committee had none. Chairman Arnett asked Ms. Melissa Wasson, Director of Finance for Global Spectrum, to discuss an insurance issue with the Committee. Ms. Wasson presented that there was an opportunity, based on decreased property insurance rates, to lower the stadium's related deductible with only a minimum increase to the annual premium. The Committee agreed to lower the deductible from \$500,000 to \$200,000 for a small increase to the premium. At the end of the budget review and questions related to the information contained within, Mr. Williams moved that the committee recommend approval of the budget, as

amended, to the Authority's board of directors. The motion was seconded by Mr. Benton and was passed unanimously.

5. Announcement of Future Meeting Dates and Other Information Concerning the Committee. None.

6. Adjournment. There being no further business to come before the committee, Mr. Williams moved for adjournment. Upon motion duly made by Mr. Williams and seconded by Mr. Benton the meeting was adjourned.

“Exhibit A”

April 7, 2008 Committee Minutes

Exhibit B

Proposed FY2009 Budget