

**Arizona Sports & Tourism Authority**

**Minutes of 88<sup>th</sup> Meeting of the Arizona Sports & Tourism Authority**

**Board of Directors**

**June 25, 2008**

**10:00 a.m.**

**University of Phoenix Stadium**

**AZSTA Board Room**

**1 Cardinals Drive**

**Glendale, AZ 85305**

**Attendance**

**Members**

Debbie Johnson, Chairman  
Verma Pastor  
Rod Williams  
John Benton - Telephonically  
Sarah Strunk, Fennemore Craig  
Bradley Wright - Telephonically  
Jerry Walker– Telephonically  
Rod Williams – Telephonically  
Larry Landry – Telephonically  
Herman Orcutt – Telephonically

**Staff**

Tom Sadler, President/CEO  
Charles Foley, CFO and Treasurer  
Kimberly Monroe, Executive Asst./Office Mgr  
Jennifer Copeland, Communications Coord.

1. Call to Order. A public meeting of the of the Arizona Sports & Tourism Authority (the "Authority") Board of Directors (the "Board") was held in the AZSTA Conference Room at 1 Cardinals Drive, Glendale AZ 85305 on Wednesday, June 25, 2008 at 10:00 a.m.. A quorum being present and the meeting having been duly noticed and called, Chairman Debbie Johnson called the eighty-eighth meeting of the Board to order.

2. Consideration of April 7, 2008, May 27, 2008 and June 5, 2008 Board Meeting Minutes. The Chairman asked for a motion to approve the minutes of the Board for meetings held on April 7, 2008, May 27, 2008 and June 5, 2008 (Exhibit A). Upon motion duly made by Mr. Rod Williams and seconded by Ms. Verma Pastor the minutes were unanimously approved.

3. Consideration of President/CEO Contract. The Chairman asked for a motion to approve the Employment Contract for Tom Sadler (Exhibit B). Upon motion duly made by Mr. Williams and seconded by Ms. Pastor the contract was unanimously approved.

4 Nominations and Elections of Authority Officers. The Chairman asked for nominations for the office of Chairman of the Board. Mr. Larry Landry moved to nominate Mr. Jerry Walker as the next Chairman of the Board, Mr. Brad Wright as Vice-Chairman and Ms. Pastor as Secretary. Upon motion duly made and seconded by Mr. Williams the new officers were unanimously approved. The Chairman reminded the members that the newly elected officer terms would be effective July 1, 2008.

5. Consideration of FY2009 Budget. The Chairman called on Mr. Roc Arnett, Chairman of the Finance, Budget and Audit Committee, to brief the members on the FY2009 budget (Exhibit C) under consideration. Mr. Arnett stated that the Committee had met several times with staff and Global Spectrum in preparing the budget. He further stated that the Authority's financial outlook based on the revenues and expenses being presented in the budget did not look good and that there was a projected \$6 million operating shortfall for FY2009 and again in the subsequent years. Mr. Arnett then turned the budget review over to Mr. Charles Foley, CFO & Treasurer. Mr. Foley provided a detailed review of the budget ending with the comment that the projected shortfall for FY2009 would have to be financed from the Authority's operating reserves. Mr. Landry asked that there be a quarterly review of the Authority and Global budgets versus actual results. It was agreed by staff that such a review would become part of the Authority's quarterly financial activities. Mr. Benton asked Mr. Foley to provide a detailed explanation of the NFL Income Tax issues facing the Authority and their impact on its long-term financial projections. Mr. Foley stated that with the removal of the guaranteed minimum by the State of Arizona at the start of FY2008 and the lower-than-expected actual income tax revenue results over the past six years had created a significant shortfall in the Authority's long-term projected revenues. He referred the board members to pages 21 and 22 of the FY2009 budget (Exhibit C). He continued that there was little information being made available to the Authority due to the confidential nature of the income tax basis for this revenue source and that the Authority had attempted on numerous occasions to obtain non-confidential information without success.. Ms. Sarah Strunk, Authority Legal Counsel, gave a brief review of the Authority's statute related to the NFL Income Tax Issue. Mr. Benton requested and directed the Authority's staff, in particular Messers. Foley and Ferris, to prepare a white paper on the long-term financial outlook for the Authority and the means by which the projected operating deficits

could possibly be corrected. After review and discussion Mr. Arnett moved to approve the budget and to include quarterly reviews of the Authority and Global Spectrum's budgets by the Finance, Budget and Audit Committee. Upon motion duly made and seconded by Mr. Williams the FY2009 budget was unanimously approved.

6. Announcements of Future Meeting Dates and Other Information Concerning the Board. The Chairman recognized Mr. Michael Bidwill, President of the Arizona Cardinals, as being in attendance. Mr. Bidwill welcomed Mr. Tom Sadler, Authority President/CEO, as the newest member of the Authority's staff.

7. Adjournment. There being no further business of the Board the Chairman requested a motion to adjourn the meeting. Upon motion duly made by Mr. Williams and seconded by Mr. Walker the motion to adjourn was unanimously approved.

Exhibit A

April 7, 2008, May 27, 2008 and June 5 2008 Board Meeting Minutes

Exhibit B  
Employment Contract for Tom Sadler

Exhibit C  
Authority FY2009 Budget