

Arizona Sports & Tourism Authority

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

September 3, 2009

8:30 a.m.

**Fennemore Craig, P.C.
3003 N. Central Suite 2600
Phoenix, AZ 85012**

Attendance

Members

Jody Harwood, Chairman
John Benton, Telephonically
Verma Pastor, Telephonically
Bill Peltier
Brad Wright

Staff

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

Other Members In Attendance

Authority General Counsel

Sarah Strunk, Fennemore Craig

1. Call to Order. A public meeting of the Arizona Sports & Tourism Authority's (the "Authority") Finance, Budget and Audit Committee (the "Committee") was held at the offices of the Fennemore Craig, 3003 N. Central Suite 2600, Phoenix, AZ 85012 on September 3, 2009 at 8:30 a.m. A quorum being present and the meeting having been duly noticed Chairman Harwood called the meeting to order.

2. Consideration of Minutes from July 15, 2009. Ms. Harwood called for a motion to approve the minutes of a meeting of the Committee held July 15, 2009 (Exhibit A). Mr. Bill Peltier stated that he did not believe the minutes accurately reflected the vote for the Consideration of Concession Services Agreement between the Authority and Rojo Hospitality Group. He believes that Mr. Rod Williams did not abstain from voting. Mr. Brad Wright agreed with Mr. Peltier and stated that he, too, believed Mr. Williams did not abstain from voting. After discussion Mr. Peltier asked that the records reflect the disagreement on whether Mr. Williams did or did not abstain from voting. Upon motion duly made by Mr. Peliter and seconded by Ms. Harwood the minutes were unanimously approved.

3. Consideration of Concession Services RFP Review Process. The Chairman asked Mr. Tom Sadler, the Authority's President/CEO, to review the RFP Review Process (Exhibit B) with the Members. Mr. Sadler shared with the members the process which had been developed by the Staff and asked the members for any recommended changes. After discussion, the Committee recommended several changes be made to the review process and that after the changes were made the process be shared with the entire Board of Directors. Mr. Peltier moved to approve the RFP Review Process with the recommended changes. Upon motion duly made and seconded by Ms. Harwood the RFP Review Process was unanimously approved.

4. Consideration of Executive Session. The Chairman asked for a motion to go into executive session for discussion or consultation with the attorneys of the Authority for legal advice pursuant to A.R.S. 38-431.03(A)4 for the purpose of discussion or consultation for legal advice with the general counsel of the Authority regarding potential service agreements for food and beverage at the facility. Upon motion duly made by Mr. Peltier and seconded by Ms. Harwood the Committee unanimously approved the motion to enter into Executive Session.

Chairman Harwood requested a motion to return to the open meeting. Upon motion duly made by Mr. Peltier and seconded by Ms. Verma Pastor the Committee unanimously approved the motion to return to the open portion of the public meeting.

5. Discussion and Review of Authority FY2010 Budget. Ms. Harwood asked Mr. Foley, Authority's Chief Finance Officer/Treasurer, to review a revised cash flow analysis (Exhibit C) with the Committee. Mr. Foley reviewed the analysis with the Committee and stated that the Authority would possibly enter into a deficit cash position in January 2010. He also stated that currently the tourism revenues were almost 12% below budget for the fiscal year. Ms. Harwood stated that the tourism industry was not optimistic about the state of the industry and that Arizona was the #1 hardest hit tourism market in the United States. The tourism

industry does not see any large hotel bookings returning to the valley until late January 2010. Mr. John Benton stated that he believed the Committee should revise the budget related to the Authority's tourism revenues. Ms. Harwood believed that the budget should be adjusted lower by 15%. Mr. Foley stated he would make the 15% adjustment per the Committee's recommendation.

6. Announcement of Future Meeting Dates and Other Information Concerning the Committee. Mr. Wright stated that the next Board and Finance Committee meetings will most likely be scheduled for sometime the last week of September 2009.

7. Adjournment. There being no further business to come before the committee Mr. Peltier moved for adjournment. Upon motion duly made by Mr. Peltier and seconded by Ms. Pastor the meeting was adjourned.

“Exhibit A”

July 15, 2009 Committee Meeting Minutes

“Exhibit B”

Concession Services RFP Review Process

“Exhibit C”

Authority’s Revised Cash Flow