



# Taxation, Revenue, and Utilization of Expenditures (TRUE) Commission

Dr. Keshan Hargrove, Chair

## TRUE COMMISSION SUBCOMMITTEE ON ASM GLOBAL CONTRACT Meeting Minutes

March 7, 2024

3:45 p.m.

Don Davis Room, 1<sup>st</sup> floor, City Hall

**Attendance:** Committee members Tony Zebouni (Chair) and Bruce Tyson

**Excused:** None

**Also:** Commissioner Charles Barr; Jeff Clements – City Council Research; Tommy Carter and Heather Reber – Council Auditor’s Office

Chairman Zebouni convened the meeting at 3:47 and the attendees introduced themselves for the record.

### Chair’s Summary of ASM Global Contract Review

Mr. Zebouni distributed excerpts from the ASM Global contract after reviewing the agreement and said he had looked at the City Procurement Code for its applicability to unauthorized procurements. He said the two documents need to be considered together in the context of the totality of the circumstances and the flexibility that both parties may have. He noted that the contract provides for ASM to have an annual budget from the City and contains a monthly reporting requirement. Heather Reber, Principal Auditor with the Council Auditor’s Office, said ASM is required to have an annual budget approved by City Council. Their budget is provided in quarterly tranches company is required to make monthly reports to the Accounting Division on their expenditures and revenues to be input into the City’s financial management system that ultimately produces the quarterly budget report. When the Auditor’s Office noticed the over-spending they began to ask questions of the City administration about the issue. She said she is not sure who the City’s contact manager is (possibly the Sports and Entertainment Division) and how they review what the company submits. She said the venue management contract has been a tricky one regarding compliance because contract management has been passed around from one office to another over the course of years as administrations change. There is an executive branch reorganization ordinance currently pending before the City Council under which Sports and Entertainment will become a stand-alone department.

Mr. Zebouni said the City has the authority to amend ASM’s budget based on what happens during the fiscal year. Ms. Reber said the City’s Chief Financial Officer has a meeting next week with ASM to talk about this compliance issue after her initial response to questions posed by the Auditor’s Office. Mr. Zebouni said the contract provides that the Mayor may request the Council to approve budget amendments for unforeseeable expenses. He asked why the most recent report to the Accounting Division didn’t mention this overage; Mr. Reber said she only reviews the quarterly reports produced by the Finance Department, not the monthly ASM submissions to the department. The company hasn’t officially gone over budget yet because it is still early in the fiscal year, but it projects to do so by the end of the

fiscal year if no changes are made. In response to a question from Mr. Zebouni, Ms. Reber said the Auditor's Office posed questions to the administration about this contract at the end of the last fiscal year and did not get much clarity about its oversight. She reiterated that the administration and Finance Department are currently meeting with ASM to discuss the budget issues.

Public Comment

Jonathan Cagle said the TRUE Commission issued a resolution in 2020 on the SMG (now ASM Global) venue management contract; the commission may want to go back and look at that resolution.

Commissioners' Comments

None

The meeting was adjourned at 3:59 p.m.

Jeff Clements, City Council Research Division

[jeffc@coj.net](mailto:jeffc@coj.net) 904-255-5137

Posted 3.13.24 11:30 a.m.