

# BOARD MEETING MINUTES

RAY QUINNEY & NEBEKER, SALT LAKE CITY

WEDNESDAY, OCTOBER 21, 2015

9:00 A.M.



## WELCOME & CALL TO ORDER

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The October 21, 2015 Utah Olympic Legacy Foundation Board Meeting was called to order at 9:05 a.m. by Luke Bodensteiner, Chair. Additional Board Members present were Spencer F. Eccles, Brett Hopkins, John Larson, Catherine Raney Norman, Grant Thomas, Vicki Varela, Bob Wheaton, and Dave Winder. Natalie Gochnour, Eric Hutchings, and Mike Cooper were unable to attend. UOLF Staff present included Colin Hilton, Marc Norman, Karla Knox, Sandy Chio, Jennifer Lippman, Lisa Valiant, Jennifer Clarke, and Melanie Welch. Bill Stenquist, Courtland Nelson, Cullen Battle, and Richard Hodges from the Soldier Hollow Legacy Foundation (SHLF) were also in attendance. Doug Hansen and Kathryn Fargam from Tanner LLC attended to present the independent audit.

**Approval of Minutes.** *Dave Winder motioned for approval of the July 17, 2015 meeting minutes with Spence Eccles seconding; minutes were unanimously approved and accepted.*

**Remarks from the Chair.** Luke Bodensteiner introduced the SHLF Board members and staff. He also discussed that a nominating committee would consider new candidates over the coming weeks for possible submittal to Governor Herbert.

## COMMITTEE REPORTS

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**Audit & Finance Committee.** John Larson thanked staff and the independent auditors for their hard work relating to the audit. Doug Hansen and Kathryn Fargam from Tanner LLC then presented to FY15 audit report, reporting that they will issue an unmodified opinion. They reported that no adjustments were necessary, indicating a sound internal team. Details of the audit were reviewed at length with the Audit & Finance Committee.

*Dave Winder motioned for approval of the FY15 independent audit with Bob Wheaton seconding. The audit was unanimously approved and accepted.*

The investment portfolio performance was reviewed with a fiscal year-to-date net investment loss of (4.88%) and a calendar year-to-date net loss of (1.56%), bringing the September 30, 2015 balance to \$61,203,000. The losses were reviewed and asset allocations were noted as remaining within target ranges. Any draws will continue from Domestic Equities.

**Sport Committee.** Catherine highlighted USOC quarterly reporting, noting the tremendous success and usage of the Spence Eccles Olympic Freestyle Pool for athlete training. Catherine discussed the relevance of continuing to host elite national competitions and encouraged the Board to attend the upcoming winter sport events; Marc reviewed the event schedule and Catherine discussed the Board's ability to witness first-hand the advancements and transformation happening in each sport. Coordination of the sport pipeline with NGBs and the USOC was reviewed and progress toward a consolidated Park City area ski club was discussed. The Committee expressed support for a SHLF integration, allowing expanded goals, a broader youth reach, and with the added value another venue could bring to the Legacy story.

## SOLDIER HOLLOW UPDATE

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Luke re-introduced the concept of SHLF integration with UOLF. He reported on current efforts, culminating thus far in a joint report outlining the rationale for bringing all three Olympic Legacy venues back under one umbrella. Luke reported that the State Parks are also a big part of this negotiation and have received the report.

SHLF Board Chair, Bill Stenquist, emphasized to the UOLF Board that SHLF feels a combined structure should have always been the model, as demonstrated in the joint report outlining congruent strategic and long-term objectives with UOLF. The Soldier Hollow venue is critical to the Nordic community and SHLF is concerned that if integration is not achieved, the inability to reinvest in the venue's infrastructure will be detrimental.

Brett requested that SHLF capital needs be projected year over year. Colin reminded the Board that SHLF operates in the black. Regarding capital, however, the significant capital needs and their projected timeline will be dictated by fundraising – via private donors, the community, and the State – not via the UOLF investment portfolio although UOLF can provide more traction



and resources toward this critical SHLF need. Similar to the Park's model, Soldier Hollow has significant potential for public activity revenue growth, which could also help fuel the necessary capital improvements to keep the operation viable and at world-class standards. Bill reported that SHLF has not tapped into fundraising or public funding in the past, primarily due to the limitations and existing terms of the concessionaire contract with the State.



John Larson and Bob Wheaton have assisted in exploring the integration and have both toured the Soldier Hollow venue. John reported that there is still much due diligence to be done prior to UOLF entering into an agreement. Similarly, there is much to be done to bring the venue to an acceptable standard. Allocating funds to deferred maintenance must be outlined going forward. Bob recognized the great job by the SHLF to operate successfully with low resources. He is impressed with what has been accomplished and recognizes much potential. He feels that pooled UOLF and Board member resources can assist, bringing a level of influence at the State level as well as increased purchasing power through multiple venues.

Grant discussed that keeping Utah's Olympic venues ready and current is critical in positioning Utah as a world leader in winter sport. Venues must be sustainable with achievable business plans. Spence implored the Board to include Soldier Hollow in Legacy efforts. Inclusion of Soldier Hollow would complete Utah's legacy and strengthen Utah's positioning efforts for another Games. Spence commented on the broader public use of Nordic skiing compared to ski jumping and the benefit the Soldier Hollow venue could bring to youth and fundraising efforts.

Courtland Nelson from the SHLF Board referenced the benefits to SHLF staff with integration, allowing professional growth and maturation by being part of multiple sites and a broader vision that has not yet been able to be realized at Soldier Hollow. The relationship with the State has also reached a point of maturation that needs to evolve into a forward-looking collaboration.

Marc reported on initial conversations with the USOC toward expanding the Training Site designation.

***Bob Wheaton motioned, as outlined by Colin, to:***

- 1. Accept and approve the recommendations of the report of the Soldier Hollow Legacy Foundation (SHLF) and Utah Olympic Legacy Foundation (UOLF) Joint Committee (Committee) as prepared and submitted to both governing boards for review on October 9, 2015; and to:***
- 2. Authorize the Committee to enter into a non-binding Letter of Intent (LOI) between UOLF and SHLF that memorializes each board's current interests and motions; and to:***
- 3. Support and encourage subsequent regular meetings of the Committee to create a draft Memorandum of Understanding (MOU) by December 1, 2015 to include, but not be limited to, the following topics:***
  - Legal steps required toward full integration***
  - Joint capital development plan***
  - Concessionaire agreement with Utah State Parks***
  - Joint vision of land use and sport programs***
  - Timeline and process steps, allowing both governing boards sufficient time to review final documents no later than January 15, 2016.***

***Dave Winder seconded and the motion passed unanimously.***

## **FY16 UPDATE**

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Colin reviewed the UOLF Core Mission progress toward FY16 Strategies in each area. Marc reported that summer 2015 was the best summer ever in the history of the Park relative to attendance and revenue. Public Activities exceeded budgeted revenue growth by over \$270k through August. New activities like Extreme Tubing, Red Bull 400, and the Slip N Soar event highlight creative uses of our Olympic venues and allow public to experience these Olympic facilities in a tangible way.

Colin reported on the Aspen Institute pilot program to potentially be employed in Kearns that could prove transformative.

Colin reviewed perpetuity targets; while finding success in some revenue areas, sponsorships and VIK did not hit targets.

Operating and capital financials were reviewed. Operating financials are slightly negative to budget by (\$19,000). However, even with successful Public Activities, the market downturn has had a significant hit on the net FY16 financial impact compared to



budget. Marc reported that while FY16 goals reflect a need to invest in capital maintenance and enhancements, some spending will likely still be deferred due to market conditions. Colin reiterated UOLF's passive investment strategy and the need to make midseason adjustments to budget as needed. Luke expressed appreciation to staff for their prudence.



Jennifer Lippman reviewed the UOLF fundraising message, gave an update on Membership, and discussed the 100% Board Giving Campaign. Jennifer will create a comprehensive list of ways to contribute to UOLF.

## PROJECT & STRATEGIC INITIATIVE UPDATES

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**UOP Master Plan.** Colin reported on the 7 miles of new trails at the Park, as well as the expanded parking lot, and infrastructure improvements, accommodating new building pads for future development. He reviewed progress toward selecting a developer for the first phase of development. Grant Thomas to assist from the Board with the RFP process.

**Oval Campus Project.** Colin updated the Board on funding commitments with \$3M committed from the State, \$4M committed from SLCo TRCC funding, and the remainder to be committed through KOPFC, USS, and UOLF. Operating structure is being flushed out. Colin reviewed an alternative design should any partner be unable to commit funding, however, Grant expressed that the original design is the best option. He suggests exploring phasing if necessary.

**UOLF Structure & Olympic Community Advisory Boards.** Colin reviewed the proposed UOLF operating structure of separate single-entity LLCs to create separation between the venues and the Foundation with its assets. Revenue has doubled over the 2010-2015 period bringing double the transactional volume with the same staffing levels. Comments were made recognizing the good work of Karla Knox and staff to handle the increased transactional volume. Creating more autonomous venue teams will allow UOLF to shape the vision, but reduce day-to-day involvement.

The Olympic Community Advisory Board concept serves to provide specific localized focus and community engagement for each venue. Bob Wheaton urges UOLF staff to consider the structure and flow of reporting between an Advisory Board, the venue, and UOLF. Brett Hopkins expressed concern for staff with solely the onboarding of Soldier Hollow and implored staff to consider deeply the impacts of also taking on management of the various Advisory Boards. Conversely, an Advisory Board structure could provide additional expertise and resources to both UOLF and the venue. He cautioned that while good things are happening, other things could be compromised.

Vicki felt Advisory Boards could provide a meaningful way for communities to contribute and expects good energy and support.

As in the last Board meeting, Catherine cautioned that an Advisory Board effort should only be undertaken if and when resources allow. Not all areas need to be filled, so allow for flexibility based on the respective needs of each venue. Start small to keep the model sustainable. Perception in these target communities is critical; therefore efforts must only advance when they can be achieved with appropriate follow through.

Luke felt the term "Board" conveyed a governance role and preferred using "Committee". Overall, the Board supports the LLC and Advisory concept. Brett moved to approve the concepts subject to vetting out the legal and operational aspects for reporting back to the Board. John Larson seconded, with unanimous Board support.

*Luke asked Dave to review UOLF Articles of Incorporation and Bylaws to determine what (if any) changes may need to be made to accommodate the Advisory concept.*

## ADJOURNMENT

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The next meeting will be held on January 27, 2016 at 9:00 a.m. at Ray Quinney & Nebeker. The 2015 Board meeting schedule will be finalized over the coming weeks and sent to the Board. Luke notified the Board that Jeff Robbins withdrew as ex-officio board member and that Senate President Wayne Niederhauser may be replacing Jeff to represent the Sports Commission.

*Being no other business, Dave Winder motioned to adjourn with Bob Wheaton seconding; the meeting adjourned at 11:07 a.m.*

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Luke Bodensteiner, Chair

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Date

