

BOARD MEETING MINUTES

RAY QUINNEY & NEBEKER, SALT LAKE CITY

WEDNESDAY, APRIL 27, 2016

9:00 A.M.

WELCOME & CALL TO ORDER

The April 27, 2016 Utah Olympic Legacy Foundation (UOLF) Board Meeting was called to order at 9:00 a.m. by Luke Bodensteiner, Chair. Additional Board Members present were Spencer F. Eccles, Brett Hopkins, John Larson, Catherine Raney Norman, Vicki Varela, Bob Wheaton, and Dave Winder, and Mike Cooper. Natalie Gochnour, Eric Hutchings, and Grant Thomas were unable to attend.

UOLF Staff present included Colin Hilton, Marc Norman, Karla Knox, Jason Dyer, Sandy Chio, Jennifer Clarke, Jennifer Lippman, Jennifer Lowe, Cassie Revelli, and Lisa Valiant.

Bill Stenquist, Courtland Nelson, Cullen Battle, Scott Peterson, and Wendy Nord for the Soldier Hollow Legacy Foundation, and Chris Conabee from Utah Development and Construction were also in attendance.

Approval of Minutes. *Spencer F. Eccles motioned for approval of the January 27, 2016 meeting minutes with Dave Winder seconding; minutes were unanimously approved.*

FY16 UPDATES

In a tough legislative year, UOLF is grateful to Eric Hutchings efforts to secure \$500,000 for initial Soldier Hollow upkeep funding.

Jennifer Lippman reviewed development efforts including engagement of Scott Mietchen of the Fund Raising Council. UOLF Membership refinements include benefits at all three venues with the onboarding of Soldier Hollow. Soldier Hollow fundraising will ramp up with an Open House later this year. Jennifer has secured UOLF's first major gift in the amount of \$20,000 as a result of recent cultivation efforts. Jennifer encouraged the Board to attend and invite others to the inaugural Anti-Gala, UOLF's first fundraising event.

Marc Norman reviewed the FY16 focus on capital maintenance and reviewed major capital projects. He highlighted the benefits of the partnership with the University of Utah and the \$20,000 in event medical savings leveraged by Chad Deavers, Park Medical Manager.

The USOC National Medical Network announcement was discussed and the Board was invited to attend. Colin Hilton highlighted that UOLF continues to facilitate efforts to support athletes, including this USOC partnership. Luke emphasized the important medical benefits to the National Governing Bodies associated with this partnership and commended Natalie for her instrumental role in driving the efforts forward. The Board was also invited to the Governor's State of Sport Awards.

Working closely with Olympic and local partners, Marc has leveraged substantial energy cost-savings at the Oval thanks to partnerships with BP Gas, GE, and Rocky Mountain Power. Marc reported that UOLF is one of only a handful of organizations who buy natural gas direct from BP, an Olympic Sponsor; Questar reported that the switch to BP will save UOLF an estimated \$77,000 annually. Via another Olympic Sponsor, GE, all 1000 metal halide light fixtures in the Oval were switched out to GE LED fixtures, garnering \$4,000 per month in energy savings with a projected four-year return on investment. By making the switch, UOLF also leveraged an additional \$98,000 rebate from Rocky Mountain Power, totaling over \$800,000 in total Rocky Mountain Power grants over the last few years, and paying for a portion of UOLF Energy Manager's salary.

With an investment of only \$20,000, UOLF has secured an additional \$85,000-95,000 in funding toward trails at Utah Olympic Park, which will greatly increase the free community uses of the Park and provide connectivity for countless hikers and bikers to the Gold-rated Park City trail system through Utah Olympic Park.



Marc reviewed record-breaking public attendance and revenues again this year at Utah Olympic Park with revenues exceeding budget by over \$250,000. Creative uses of existing facilities are also generating new revenue - the K90 Nordic Jump now supports extreme tubing and the RedBull 400 event, which benefits our Park City Nordic Ski Club; the Spence Eccles Olympic Freestyle Pool supports the Psicobloc climbing event and Slip 'N Soar.

Sandy Chio reported exciting growth opportunities in target communities – Utah, Davis, and Weber Counties. Refinements to the Park's Gold Pass product resonate well for the public, with great success in four Costco warehouses and online. She also reviewed search engine campaign traction via the Ken Garff marketing sponsorship.

SPORT COMMITTEE

As an Official US Olympic Training Site and Community Olympic Development Program, UOLF reports quarterly and annually to the USOC on elite athlete training and youth sport program participation at the Park and Oval. Catherine Raney Norman reported that 180 National Team and 120 development team athletes trained at UOLF this year, up from 126 and 86 respectively and demonstrating that athletes want to be in Utah. Catherine reviewed the growth in UOLF sport program participation. She discussed how UOLF efforts toward athlete training, relationships with National Governing Bodies and sport clubs, and facilitating partnerships like the University of Utah demonstrate Utah's commitment to the USOC.

FY16 YEAR-END FINANCIALS

Karla reviewed year-end variances to budget by area, highlighting the huge \$197,000 positive variance in Public Programs. This, combined with positive variances in Sport and Foundation areas (due to unfulfilled staffing positions) compensated for the large negative variance in Fundraising. While budgeted optimistically, Karla reported that the Fundraising area is actually coming in relatively flat year over year, just shifting emphasis from VIK to a focus on capital campaigns and individual donors. Overall, UOLF budgets are close to breaking even and April pull-backs will help finish out the year.

Karla reviewed investment portfolio performance, noting a market rebound since the negative downturn to \$58M in January.

LEGACY PROJECT UPDATES

Soldier Hollow. Colin introduced the Soldier Hollow Legacy Foundation members and staff present, noting them as integral to Soldier Hollow operations and the integration process. Both organizations have worked well together and are excited for the new era of Soldier Hollow. Doug Matsumori from Ray Quinney & Nebeker will finalize paperwork through the remainder of today and tomorrow. State Parks representatives, Fred Hayes and Tracy See, are also supportive. Colin noted that no action was necessary from the Board, as consent was given in January for Colin to proceed in executing the integration. Bob Wheaton inquired on how the existing State Parks Concessionaire Agreement was resolved and Colin reported that it was able to be assigned directly to UOLF since all parties were in agreement. Marc Norman commended Scott Peterson for his help in resolving the necessary improvements with State Parks prior to the integration, minimizing UOLF's responsibility. Wendy Nord was equally commended for her instrumental help in budget preparation and working through the financial pieces of the integration.

Karla reviewed the need for Board action to recognize Soldier Hollow staff's years of service as a one-time special circumstance.

Spencer F. Eccles moved to recognize Soldier Hollow staff for their years of service under the Soldier Hollow Legacy Foundation, along with a beginning balance of PTO as determined by the Integration Committee. John Larson seconded the motion and the Board unanimously approved.

Colin updated the Board on progress toward the Oval campus project and its potential effect on the Oval's long-term operating agreement. At the next Board meeting, he will outline the financial ask of UOLF's commitment.

Colin introduced Chris Conabee from Utah Development & Construction (UDC), the selected development partner at Utah Olympic Park. Chris discussed the existing dynamics of the Park property and the humbling task of assisting UOLF in achieving perpetuity through this partnership spawned by great values. Colin reviewed his three-pronged approach

toward perpetuity – public activity revenue, fundraising, and land development, which will now kick in with the help of UDC.

FY17 BUDGET REVIEW

Colin reviewed the UOLF Core Missions and FY17 Strategies approved in January. He highlighted FY17 influences to budget including the addition of staff resources to accommodate current growth, a commitment to support all three venues equally, and the continued need for positioning Utah as the world's premier athlete training and event destination; contrasted with the effects of a reduced projected annualized rate of return from the investment portfolio and the Core Mission for UOLF to operate at a financial level that can maintain perpetuity status.

Karla compared the proposed FY17 operating budget (excluding Soldier Hollow) to the projected FY16 actuals, noting that the FY17 payroll increase is due to additional allocations for benefit increases as well as six unfulfilled positions from FY16. She commented that while starting wages are being increased over last year, they remain low compared to the local market.

Brett Hopkins highlighted that even given the payroll challenge, FY17 projections would equate to the best year ever in leveraging public activities and venues versus payroll, a huge accomplishment.

Karla reviewed FY17 increases in all budget areas due to the inclusion of the Soldier Hollow Nordic Center. Colin feels that the past few years of cultivation have set UOLF up nicely to achieve FY17 fundraising goals. Spencer F. Eccles re-emphasized the need to focus on fundraising with Jennifer Lippman adding that Utah is rated first in philanthropy, so the potential is there.

UOLF capital budgets were reviewed for Park, Oval, and Soldier Hollow. Marc reviewed notable capital expenditures over \$30,000 at each venue. Colin discussed the four FY17 budget alternatives and discussed his hesitation to drop the investment portfolio below \$60M. However, Alternative Two is the staff recommendation with a critical-only level of capital spending requiring a slight reduction in the investment portfolio balance. Although spending is limited, Alternative Two will continue to position Utah and leverage the current momentum, but will still require fundraising and partnerships.

Discussion ensued and Mike Cooper reviewed rate of return assumptions. John Larson inquired whether UOLF will pull back if markets come back at a 6% return; Colin affirmed. John commented that the Audit & Finance Committee will be reevaluating projections and also reiterated his concern not to defer maintenance or costs will be more detrimental to the portfolio over the long-term.

Bob noted the overall trending for financial performance and revenue over expenses, giving tremendous credit to staff for keeping expenses in check, doing a great job generating revenue and sport participation.

Vicki Varela moved to approve the staff-recommended Alternative Two for the FY17 budget, as it continues to embrace the momentum of current UOLF efforts. Bob Wheaton seconded the motion and the Board unanimously approved. (Due to timing, Brett Hopkins had to leave just prior to the vote, but stated he left his proxy vote to John Larson. Although voting by proxy is not allowed, a quorum was still present at the meeting and was unanimous.)

Sandy Chio reviewed the rollout of UOLF's new tagline with its associated branding and messaging. The Board was supportive of the new approach and upcoming efforts.

ADJOURNMENT

Spencer F. Eccles moved to adjourn and Vicki Varela seconded the motion. The meeting adjourned at 11:18 a.m. The next meeting will be the Board Social on Friday, July 15, 2016 at 4:00 p.m. at Utah Olympic Park.

Luke Bodensteiner, Chair

Date