

UTAH OLYMPIC LEGACY FOUNDATION

FY19 Q2 BOARD MEETING MATERIALS | ANNUAL MEETING | OCTOBER 24TH, 2018



TABLE OF CONTENTS

FY19 FISCAL YEAR TO DATE HIGHLIGHTS

Executive Summary

Financials

Core Mission Highlights

MATERIALS FOR THE BOARD

Board Meeting Agenda

Board Discussion Items

PAST QUARTER MEETING MINUTES

July 19, 2018 Board Meeting



EXECUTIVE SUMMARY

FY19 YEAR-TO-DATE OVERVIEW

The October UOLF Board meeting is our annual meeting and is the halfway mark through UOLF's fiscal year. The summer season has ended and we are in the middle of transitioning to winter operations. Through this board packet and meeting, we will report on operational and financial highlights, discuss progress on our ambitious construction efforts, and review the benefits of a recommended adjustment to our FY19 budget.

A year ago, our Olympic venues – Utah Olympic Oval, Utah Olympic Park, and Soldier Hollow Nordic Center were at a crossroads regarding the funding to properly maintain and improve them. We effectively navigated through legislative audits, public comment, and a legislative session that resulted in a multi-million dollar, multi-year commitment by the State of Utah to help fund our Cap X needs. We aggressively started improvements at each of our three venues and are well on our way to bringing our facilities back up to current day needs. In addition to repairs and improvements to existing facilities, we advanced large Cap E “Enhancement” projects of the new KATEC project at the Utah Olympic Oval, and started construction on a new UOP Athlete and Workforce Housing project. KATEC is a month away from completion and the UOP housing project is on its way to a August 2019 completion date.

While construction has brought excitement and “fresh air” into the health of our physical venues, we have seen for the second summer in a row unfortunate operational and construction impacts onto our Utah Olympic Park revenue streams. Closure of the Park’s Alpine Slide continued throughout this past summer, in combination with delays in new Cap E projects were primary drivers of a large decrease in planned activity revenues at Utah Olympic Park. Given the magnitude of lower actuals to budget levels, Staff once again feels that a mid-season budget adjustment is warranted that will allow for the remaining fiscal year targets to be achievable.



Despite current year UOP summer revenues being off, we remain optimistic to see results toward our FY19 focused strategies of: 1) accelerating efforts to increase (winter) operating revenues and fundraising efforts, 2) effectively administering and completing major capital improvement plans, and 3) addressing current staffing and operating structure challenges due to increased overall activity levels.

OPERATING BUDGETS We have a negative variance to budget through August of (\$853,000). Total UOLF revenues are down (\$1.17M) to budget with expense budgets have a positive variance by approximately \$317,000. This negative variance is primarily due to Park public activity revenues continuing to be off budget due to a number of factors described later in the Board Discussion topics.

CAPITAL BUDGET Since the start of the fiscal year through September 30, 2018, UOLF has spent approximately \$2.77M of the planned \$9M toward the approved Cap X capital improvements. Additionally, \$11.9M has been expended on CAP E projects (To include KATEC, UOP Housing, Zip Tour and other UOP public activities).

BOND FINANCING We are extremely happy to report that on September 20, 2018, Summit County, as our conduit, issued industrial development revenue bonds (tax exempt) with an effective date of September 1 and lent the proceeds to UOLF pursuant to a loan agreement with Zions Bank. Total bond proceeds were \$17,625,000, bearing a fixed interest rate of 3.767% per annum (through September 1, 2033) and mature on September 1, 2043. Bond proceeds will be used to finance the KATEC project and the athlete and workforce housing project at the Utah Olympic Park.

The bond financing process was a long and arduous process and thus created a delay in being able to reimburse ourselves for funds up-fronted for these projects. However, we have been able to reimburse into our portfolio approximately \$4M and the bond proceeds have been invested in Treasury bills with yields ranging from 2.13% to 2.54%, maturing monthly through August 2019.



INVESTMENT PORTFOLIO PERFORMANCE THROUGH SEPTEMBER 30, 2018

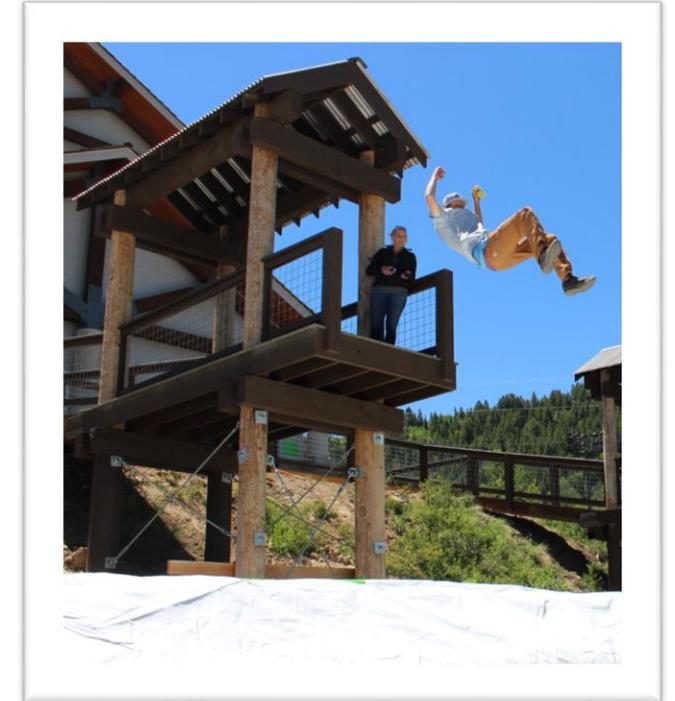
The UOLF Investment Portfolio began the current fiscal year at a value of \$56,301,720, decreasing (3.94%) to \$54,081,480 as of September 30, 2018. This was a result of a 2.74% investment gain of \$1,540,028 coupled with a (6.68%) or (\$3,760,267) reduction for operating & capital project budgets. Calendar year 2018 has seen a 2.25% investment gain of \$1,326,603 coupled with a (10.68%) or (\$6,310,543) reduction for operating & capital project budgets. Note that our investment in domestic equities is seeing a 10.62% through September 2018, international equities is a (3.04%) loss, and fixed income is down (1.6%).

FINANCIAL UPDATE

MARKETING & ADVERTISING OVERVIEW

We continued our relationship with Love Communications for our advertising efforts on digital to promote the Park's summer activities this year. This year we built discount opportunities into our messaging.

- Digital Strategy (Campaign Flight May 1 – August 31, 2018):
 - Introduce new activities at UOP to the public
 - Drive traffic to UOP website and online ticket purchase
 - Build awareness in Davis, Summit, Salt Lake & Utah counties Partners: Facebook, KSL, DoubleClick Bid Manager (DBM), SITO
- Results
 - KSL:
 - Our placements on KSL delivered 6,891,601 impressions and a strong PIR of 0.22%. We can also attribute 156 ticket purchases to this portion of our KSL buy. The homepage takeovers accounted for 2,103,578 impressions, and tracked 58 total ticket purchases.
 - SITO: Offers dynamic & personalized location-based advertising
 - SITO was our mobile-only programmatic partner capable of tracking those who were exposed to our ads, and later visited the Olympic Park.
 - They tracked 3,794 VWI's (verified walk in), for a CPA of \$6.89. They also reached 803,983 unique devices over the course of the campaign.
 - DBM (DoubleClick Bid Manager): platform managed by Love Communications that allows us to test different audience's fluidity to gauge who is resonating with our ads.
 - 6,656,811 impressions were tracked on DBM, with 25,836 post impressions for a PIR of 0.39%. We were also able to attribute 550 ticket purchases to this "partner."
 - Analysis showed Olympic enthusiasts are the top responding audience to our ads. Moving forward we will focus a larger portion of our dollars targeting "Olympic enthusiasts".



By Melanie Welch, Director of Marketing

MARKETING UPDATE

MEDIA/PR Meltwater reports UOLF media and social media statistics. Below are statistics during the months of April through September:

	This Year	Last Year
Soldier Hollow	261.59k	296k
Utah Olympic Park	1.3M	2.87M
Utah Olympic Oval	1.91M	1.88M

Total news pieces: 848

*Ad value equivalency (AVE) number assigns a dollar value to our media coverage. The AVE number is calculated with the following formula: X (the reach/unique visitor figure) * .025 (standard error, assuming that 2.5% of any given audience will view a particular article on average) * .37 (37 cents is the dollar value for each visitor).*

GROUPON We reintroduced a Groupon Gold Pass/Zip Line Tour offer this summer/fall for the Utah Olympic Park in order to reach the discount market in the Salt Lake area. Passes on Groupon were discounted at 30%. A total of 5,145 deals were purchased with total gross revenue of \$118,275. We negotiated a 70/30 split with Groupon this summer.

FLASH DEALS We introduced online flash sales this summer through our social accounts and found some success in this direct to consumer approach. For example, we offered a discount Gold Pass over Labor Day Weekend which resulted in a total of \$52,640 direct online sales in three days. Moving forward, our strategy will promote aggressive Flash Deals vs. Groupon as UOLF is able to retain 100% of the revenue.

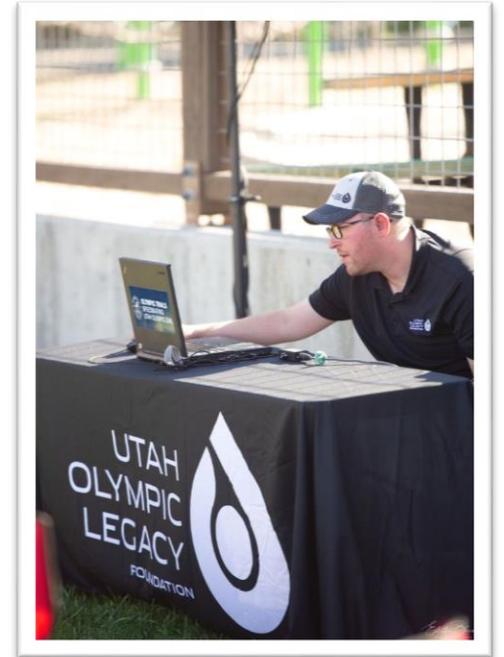
MARKETING UPDATE

REVENUES RISE IN FY19 In the first four months of the 2019 fiscal year, the Group Sales team successfully managed nearly \$800,000 in fulfilled group sales business at Utah Olympic Park. The team averaged 1.3 group events per day with an average per group value of just under \$5,000.

The team attributes much of this year's early success to the increase in offseason sales calls and a dedication to consistently improving the UOLF relationship with past and prospective clients. We expect that these strategies, with the help of UOLF executive support, will only increase revenue growth in the group sales department.

Outlined below are just a handful of the groups who hosted events at Utah Olympic Park this summer.

	Budget	Actual	Change
May	104,000	48,375	(55,625)
June	156,000	218,393	62,393
July	170,000	261,770	91,770
August	243,000	221,477	(21,523)
September	156,000	169,930	13,930
TOTAL	829,000	919,945	90,945



BIG SUMMER GROUPS Utah Olympic Park More than 200 executive-level representatives of the nation's most influential tourism industry organizations along with the Board of Directors of the U.S. Travel Association, spent two days at Utah Olympic Park in July, participating in activities and convening for an evening dinner and Flying Ace pool show. A tremendous opportunity to showcase our Olympic Legacy.

By Michael Hopkins, Group Sales Director

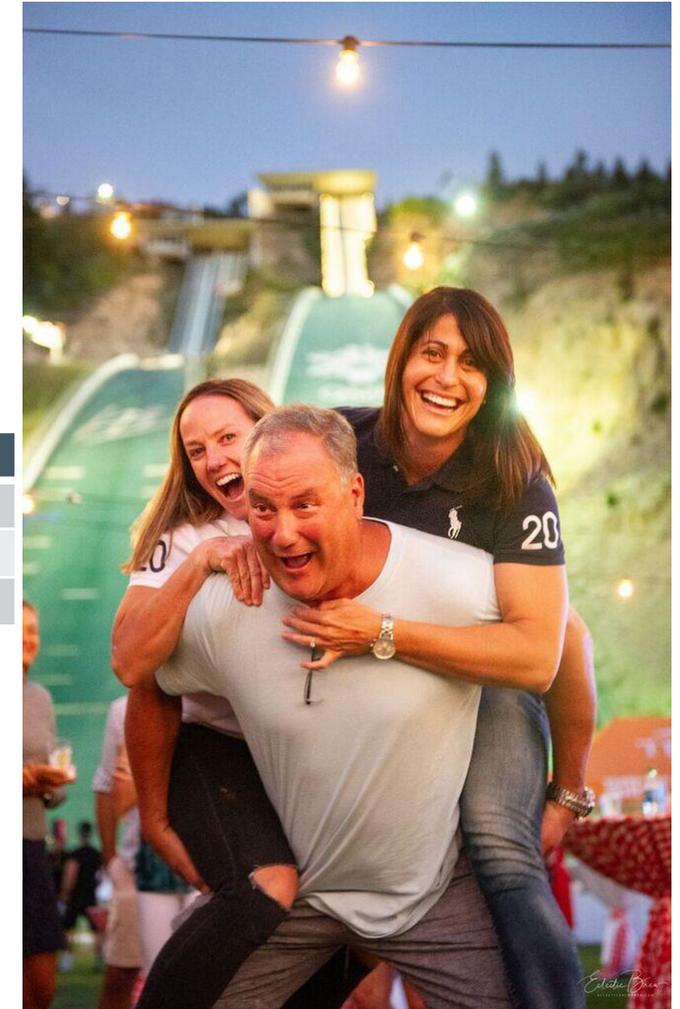
GROUP SALES UPDATE

SPONSORSHIP

We continue to cultivate long-term partners. This year, UOLF took over Sheepdog Soldier Hollow Classic at Soldier Hollow this year and secured \$30,494 in sponsorship revenue. AmBank, Supreme Source, Utah Wool Growers and Heber Valley Chamber supported the event with cash sponsorship.

To date, through our three venues and UOLF, we've secured the following revenue (separate from event specific sponsorship, i.e. Sheepdog):

Grants/Fundraising/Sponsorship	FY19 Budget	YTD Actual
Government & Private Grants	\$162,500	\$120,000
Sponsorship (Cash & VIK)	\$229,100	\$213,940
Donations/Scholarships	\$195,000	\$143,505



SPONSORSHIP & FUNDRAISING

2018 ANTI-GALA PRESENTED BY UTAH TOYOTA DEALERS ASSOCIATION

Held July 14 at Utah Olympic Park, the Anti -Gala secured just over \$120,000 in gross revenue for our annual fundraiser. This year, we introduced our new Athlete and Workforce Housing construction project during the paddle raise. UOLF successfully raised \$36,450 for our new building.

Utah Toyota Dealers Association signed on as title sponsor of the event as part of their four-year partnership. Approximately 300 guests attended the annual affair, including many of our Board members. Thank you for supporting our annual fundraiser. Your presence is greatly appreciated.



FUNDRAISING



STAFFING

DEVELOPMENT DIRECTOR, RYAN BALDWIN We are excited to introduce Ryan Baldwin to the Board. Ryan started on October 1, 2018. He has a strong background in fundraising and development. Most recently, Ryan was the Annual Fund Director for Utah State University and prior to that, was the Associate Director of Development for the Jon M. Huntsman School of Business.

A Michigan State graduate, Ryan moved to Utah in 2011. He holds an MBA from USU and will bring a tremendous amount of energy, enthusiasm and cultivation experience to our team. I look forward to introducing you to Ryan.

SALES, MARKETING, & GUEST SERVICES MANAGER FOR SOLDIER HOLLOW, MICHELLE ROBERTS, . As venue usage at each of our venues continue to grow, we felt it paramount to further expand our team to dedicate our resources more purposefully. Michelle joins us as a veteran in the sales field, with many years of experience working between Utah & Wasatch county businesses.



MARKETING UPDATES

CAPITAL PROJECT UPDATES

THE ELEMENT EVENT CENTER @ THE OVAL

As Okland finishes final touches to The Element, all parties involved are excited to move into their new spaces. The two story, connector building will host US Speedskatings new permanent home, where they will enjoy state-of-the-art training facilities, nutrition area, as well as a sport testing and evaluation area.

UOLF's partner, Kearns Oquirrh Park Fitness Center will triple the size of their current fitness footprint with the addition of 11,500 SF of workout area space for residents of Kearns.

Our Sales & Marketing team now have 10,500 SF of unique meeting space to market and sell as a way to increase offerings at The Oval for corporate groups. Community and corporate guests will by design be able to catch a glimpse of the US Speedskating athletes training during events at The Element.

BECOMING AN "OFFICIAL OLYMPIC TRAINING CENTER"

Construction is well underway, with foundation and framing of the first level complete on the 72-unit affordable housing project to support our local and visiting athletes as well as the Utah Olympic Park's employees. The \$13.2M project officially broke ground on July 19th and looks to be completed for a July 2019 opening.

Athlete Housing Statistics	
\$13.2M Total Cost	100% Deed Restricted Affordable Housing
53,729 Square Feet	88 beds – Year Round Leased Apartments
4-Story Building	Studios starting at \$700/month
72 Residential Units	58 beds – Short Term Housing for Athletes
146 Total Beds	Nightly rentals starting at \$35/night/person



The UOP was down in public revenue this summer caused by lower than normal visitor numbers and overall ticket sales. We contribute this to the closure of the Alpine Slide 2nd summer season as it is a major draw for visitors and a late opening of the newly installed Zip Line tour. Tubing and Extreme Zip continued to be our biggest attractions (Jumpside), while the newly added Airbag Drop (trackside) which opened late June was very well received and a huge success.

Newly designed summer bobsled were put into full operation over the summer season, with over a thousand test runs by the track crew team, where they were able to refine and tweak the experience to best serve our guests. These upgrades help create a much more comfortable and enjoyable ride down the track for our visitors.

Zipline Tour opened late June after 2 years of permitting, planning and construction. After several months of operation, we had come challenges with several components that were negatively impacting the guest experience, and decided to close the activity to address and refine the breaking system to help make the Zip Tour experience more safe and enjoyable. Zip Line Tour will open again in December as part of the Holiday Pass.

STAFFING

David Pye was hired in March as Facilities Maintenance and Plant Manager and has performed well in the role. His focus since starting has been reviewing current vendor contracts, reorganizing the department and spearheading some much needed upgrades to the refrigeration plant.

Hiring however has been challenging throughout the season in most Park departments with high turnover in Facility Maintenance and in Guest Services at the end of the season. Contributing to these issues are the need to compete against other area employers such as Vail who has increased minimum wage to \$12.25 and give employees season passes, but the direct hit is the recent addition of the Amazon warehouse in SLC where employees have a minimum wage of \$15, and perks like college tuition and flexible schedules.



By Jamie Kimball, UOP General Manager

UTAH OLYMPIC PARK UPDATE

CAPITAL IMPROVEMENTS A building permit to add the shad structure was received from Summit County in September and work has begun for an expected re-opening of the Alpine Slide in May of 2019.

For the Push Track project, the team is revising the design and will continue with costing and permitting this fall so we can fabricate and prepare as much as we can this winter and can install in the spring with construction, with a projected opening for Memorial Day.

EVENTS

OLYMPIC DAY - JUNE 23

An annual event for the UOP, this year we had tremendous support from current and past Olympians. Athletes engaged with the crowd, took photos and signed autographs. Approximately 2,000 attended Olympic day. One of our best turnouts, to date. Olympic day kicks off our weekend flying ace all stars show. Roughly 1,300 tickets were sold—another record breaker.

SPRINGER TOURNEE – JULY 25

Hosted the annual US ski jumping and Nordic combined national championships on the normal and large hills, we had 180 athletes from the US and Canada.

PSICOBLOC - AUGUST 4

6th year of the event being held at Utah Olympic Park, with over 20 of the best climbers in the world competing in an open water climb format. This year, the north face supported the event as title sponsor, launching these walls are built for climbing campaign. Over 1400 GA tickets sold with approximately 2000 attendees on site.

REDBULL 400 - SEPTEMBER 15

With a starting point of over 6,800 feet this 400 meter sprint to the top of the K120 challenges the best of competitors endurance, strength and speed. Over 1000 participants competed this year. The race has now developed a name for itself on the circuit.



UTAH OLYMPIC PARK UPDATE

HOCKEY Saturday August 4th our north sheet ice was in and ready for the speed skaters returned to the oval for on ice training. With the ice out for the majority of the summer, our speed skating teams took their training sessions out of the oval and on to the streets, mountains and parking lots of the Salt Lake Valley. It was great to see the teams back on the ice and bodies in the facility. The north sheet ice also brought back the curling and figure skating community as well as the general public skating patrons. Our Learn to Curl classes started off right were we left off as we just missed selling out by 7 people. Even corporate America was still feeling the Olympic buzz as we saw weekly groups coming in for team building exercises on the curling ice sheets. Free style sessions saw above average summer numbers as the long awaited returned to the inner sheets. We were back to business as usual by mid-August when our 400m oval was finally finished and we saw the familiar faces of all skaters back home at the Utah Olympic Oval.

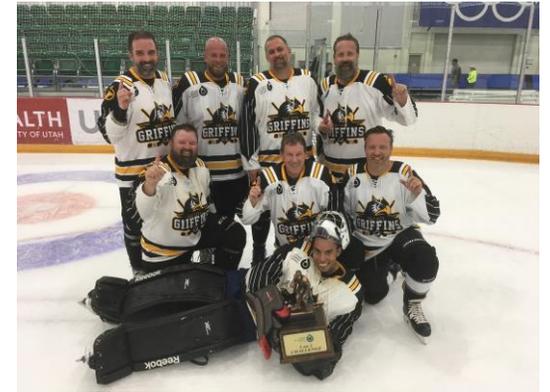
FIGURE SKATING The national showcase figure skating competition held in Brighton, Michigan kicked off august for the figure skating community this year. The oval figure skating club sent eight participants this year to compete with several of them playing in final rounds. Membership to the oval figure skating are on a rise. The oval figure skating club has a total of 64 figure skating members this year which is an 18% growth from last year. The freestyle sessions have been very busy with figure skaters training for upcoming competitions and test session.

In September a meeting with granite school district was held. We were able to work out a way to reach children within Kearns via granite school districts main email system. A voucher was made and sent out via email to the elementary students in the Kearns area. This has really helped spur on the Kearns initiative project. In addition to the emails that were send, vouchers were also mailed out to homes with in the 84118 ZIP code (Kearns and west valley).

For the fall session I of learn to skate we had an amazing turnout with 111 participants total from the 84118 area. We have one more session to go that begins next week that has enrolled 26 new current residence so far. The parents of these skaters were invited to a parent education meeting where they were educated about the various skating opportunities they have here at the oval and how to get their child to the sport of their choosing.

In an effort to make sure that all of our staff coaches where ready for the influx of skaters we hosted a two day Learn to Skate USA training at our facility to give coaches the training tools and new ideas necessary to be the best group instructor they could possibly be.

A second part to the Kearns initiative is to get the high school kids from Kearns high school to the facility to take learn to skate classes for a physical education credit. Currently a curriculums has been written up and sent to the district for approval. The hope is to begin implementing physical education classes for students in January when school is back in session from the holidays.



By Todd Porter, UOO General Manager

UTAH OLYMPIC OVAL UPDATES

IMPROVE HEALTH THROUGH PHYSICAL ACTIVITY & TARGETED SERVICES (HEALTHY KEARNS), UTAH OLYMPIC OVAL

Through the generosity of the George S. and Dolores Doré Eccles Foundation, Larry H. & Gail Miller Family Foundation and the Kulynych Foundation, we officially launched a Healthy Kearns initiative. Kearns has some of the states' most alarming health statistics and less than 10% of the residents actually use the Oval as a physical activity outlet. Our goal is to increase participation in our Oval programs by 20%, inspire residents to live physical, healthy and active lifestyles and increase preventative health care efforts. Thanks to our supporters, to date, we implemented the following efforts:

Partner with University of Utah Wellness Bus. The mobile unit provides health screening and education to medically underserved communities, specifically Kearns. UOLF printed postcards to distribute to parents for a FREE Learn to Skate six-week session. To date, we received 110 total enrollments

- Free Monday night skate for KOPFC members
- Kearns High School track athletes receive an annual track pass for free to train at the oval
- Kearns School Groups – we partnered with Granite School District's athletic curriculum and instruction department to offer high school students to attend one of our "Learn To" sessions for PE credit
- Kearns elementary 5th & 6th graders may participate in a five-week skating session. UOLF provides bus transportation to and from the Oval, equipment, instruction and ice time. At the conclusion of the session, parents are invited to the Oval to watch their kids participate in their last session and learn more about our healthy, active lifestyle programs for youth.



UTAH OLYMPIC OVAL UPDATES



FACILITY This past summer the soldier hollow facility team, supported a busy schedule of events including two dirty dash's, the sheepdog classic as well as a variety of mountain bike races and other activities; all of which require significant facility prep and maintenance.

Significantly, the team spent time and effort identifying, designing, and costing the fy19 capital projects supported by the new state funding. Several of these projects are currently underway or about to get started:

SNOW MAKING SYSTEM REPAIRS AND UPGRADES Replacements to critical sections of worn water supply systems are underway with state of the art pipe, electrical pedestals and hydrants.

SNOW MAKING GUNS Five highly efficient snow guns are on order that will replace a portion of our aging fleet of guns that date back to the 2002 games.

FINNISH AREA PROJECT. This fall we will complete the parking lot section of the "finish building" project. This new paved and lit lot will upgrade the ski stadium area and greatly enhance our ability to stage elite races and public events. This project includes greatly increased electrical power capacity that will eliminate the need for generated power for large races and events saving hundreds of thousands of dollars in generator and fuel costs.

BIATHLON RANGE UPGRADES Critical repairs and upgrades are in progress that will bring the soldier hollow biathlon range back to a world-class level. These upgrades are not only required for the upcoming IBU biathlon world cup but also are also critical for any future Olympic games.

Other facility projects in progress include upgrades to the competition management building, day lodge and grounds.

By Stuart Ashe, Soldier Hollow General Manager

SOLDIER HOLLOW UPDATE

PUBLIC EVENTS AND PROGRAMS Soldier hollow had a very busy summer events schedule. This season we added several new public events including the kids obstacle challenge and several mountain bike races to our normal calendar of events.

This February, we assumed ownership of the sheepdog classic from the retiring owner Mark Peterson who had managed the event for the past 15 years. Managing sheepdog took significant staff resources, especially from our marketing and operations staff but almost doubled net revenue from previous years when we just rented the facility and provided some operations support.

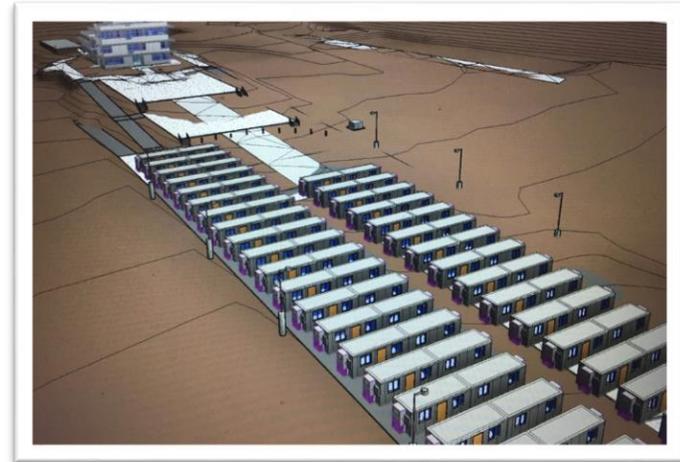
SOLDIER HOLLOW COMMUNITY ADVISORY BOARD Last fall we created a community advisory board consisting of Heber valley community leaders. The board representation includes; city mayors, county council members, city planners, state park management, local business owners, Nordic sport experts, team SOHO parents and other community leaders.

The purpose of our advisory board is to have community input into the growth and development of soldier hollow. We want the board to help us ensure that we develop public activities and infrastructure that is compatible with the needs of the community and respects the public land that we manage.

This past summer the advisory board created three sub-committees to focus on; development of youth sport programs, creating revenue generating public activities and a master planning group. The sub-committees worked independently all summer and will submit formal reports on October 25 to the full advisory board. The intention is to use the data from these reports with the engagement of a design firm to develop the long term master plan for soldier hollow.

IBU WORLD CUP Soldier hollow was awarded a biathlon world cup by the IBU for February of 2019. We feel that a successful world cup is a significant step in the growth of soldier hollow and puts soldier hollow back on the map of world class biathlon venues. The soldier hollow facility team began planning for the facility upgrades that will need to occur to stage this event.

We continue working to prepare for the IBU biathlon world cup event, which we are hosting at soldier hollow February 11-17, 2019.



SOLDIER HOLLOW UPDATE

NORDIC Summer season was a pleasant one for team soldier hollow. Our competition (comp) team is growing at an impressive rate – with two athletes graduating out of the program, we gained three more to replace them. The highlight of the summer session was our annual comp camp in Stanley, Idaho where the fitness improvements from last summer were easily spotted. The comp team is ready to head into another successful winter season!

The development (Devo) team also grew this summer! After successfully inviting several soldier hollow charter school and kickers and gliders kids up to try the Devo team, seven new athletes joined the group. The group had lots of fun bonding together on the annual Devo overnight and are looking forward to even more athletes joining this fall as summer and fall sports wrap up.

Soldier hollow also hosted the intermountain regional U14 camp, a new idea to bring young athletes together from around the region to train together and get to know each other outside of the competitive environment. By all accounts, it was a great week and SoHo was happy to host the inaugural run of this great event!

The fall will surely be a busy one, with teams from Canadian biathlon, US Biathlon, US Ski Team, Alaska Pacific University, University of Utah, Sun Valley Gold Team, and Craftsbury all planning trips to Soldier Hollow. The western region biathlon camp and world cup biathlon team trials will also be hosted at soldier hollow in late October. We expect all these visits and especially February's world cup at SoHo will help to inspire our youth athletes and help us continue to grow our programs.

BIATHLON Team SoHo biathlon had an extremely successful summer training season. For the first time, team SoHo attended the US biathlon national roller ski championships and summer camp in Jericho, Vermont in August. It was a great camp for the athletes and especially motivating to see so many world class and Olympic level athletes training and racing right next to the juniors!

New this summer was our biathlon master's program. We had three adult athletes who trained once a week through the summer and enjoyed getting to know the venue and the sport. This program is important because it helps us engage with the community on a different level, but also helps us train new coaches for our youth programs. We have already gained one new volunteer coach from this program who is committed to helping with fall team SoHo and school group programs! Team SoHo looks forward to new and improved trails and range in preparation for the biathlon world cup in February. Hosting that event will do wonders for our youth athletes and help inspire them to reach their own goals!



SOLDIER HOLLOW UPDATE

UTAH OLYMPIC LEGACY FOUNDATION

WEDNESDAY, OCTOBER 25, 2018

RAY QUINNEY NEBEKER LAW OFFICES | SALT LAKE CITY, UTAH

1. **9:00am** Welcome & Call to Order Luke Bodensteiner
 - a. *Review & Approval of July 19, 2018 Minutes*
 - b. Chair Remarks
 - c. Annual Meeting Items
 - d. New Staff Introductions
2. **9:15am** Audit & Finance Committee Report John Larson
 - a. Annual Financial Audit Report – Tanner & Co.
 - b. Review of Legacy Fund Performance
3. **9:35am** FY'19 Year to Date Highlights & Budget Update Colin Hilton
Karla Knox
 - a. FY'19 Current Year Financials & Operating Highlights
 - b. Budget Adjustment Recommendations and Rationale (*motion*)
 - c. CAP X & Cap E Project Updates
4. **10:30am** Sponsorship & Fundraising Update Lisa Bennion Rasmussen
 - a. Anti-Gala Recap
 - b. Sponsorship Update
 - c. Mountain Expansion Capital Campaign
5. **10:45am** Utah Olympic Positioning Efforts & Potential Impacts
6. **11:00am** Adjournment

BOARD MEETING AGENDA



BOARD DISCUSSION ITEMS

CHALLENGES TO ACHIEVE UOP'S SUMMER PUBLIC ACTIVITY REVENUE
PROMPTS STAFF TO RECOMMEND A MID SEASON BUDGET ADJUSTMENT

FY19 Q2 BOARD MEETING MATERIALS | ANNUAL MEETING | OCTOBER 24TH, 2018

BOARD DISCUSSION ITEMS

The below summaries are provided for board members to better understand the background and context of upcoming Board meeting discussion on key projects and initiatives

Challenges to Achieve UOP's Summer Public Activity Revenue Prompts Staff to Recommend a Mid Season Budget Adjustment Our Foundation's big push on construction projects has once again negatively impacted our ambitious revenue goals at Utah Olympic Park. Budgeted revenue goals are off over \$1.3M through September and while staffing costs were reduced over the same period, the net impact is causing staff to recommend a mid season budget adjustment. It is Staff's desire to do a very focused budget adjustment at this juncture that would allow for a more accurate set of year-end targeted financial goals. Factors driving mid-season budget adjustments follow:

<p>Continued Closure of the UOP Alpine Slide</p>	<ul style="list-style-type: none"> Following heat-related injuries in 2017, the Alpine Slide temporarily closed until a more permanent safety solution could be implemented. Plans heading into this past summer had to be adjusted and delayed the anticipated opening to May 2019. As one of the Park's most popular activities revenue targets associated with its use became unachievable.
<p>Delayed Opening of Key Cap E Projects for Summer</p>	<ul style="list-style-type: none"> Our new summer public bobsleds required driver training through the majority of summer and therefore delayed marketing efforts and associated revenues of this new design to gain wider audiences The new zip tour activity took until June 28th to open Public airbag jump was delayed in its opening until mid June The public push track experience was never opened as this project was tied to the Zip Tour project and staff time ran out to keep on it. <p>In summary, we budgeted aggressive revenues for all of these new Cap E projects that were not realized and thus further weakened our public activity offerings from what was expected.</p>



BOARD DISCUSSION ITEMS

Additional factors driving mid-season budget adjustments follow:

Gold Pass Discounting & Impacts	Because of the Alpine Slide closure and delays in new activities, we ran flash deals and discounting efforts in order to reflect the reduced number of activity options.
Continued Staffing Impacts (J1 Visa Commitments)	In anticipation of staffing up the new public activities, we made commitments months ahead to our student workforce partner, CCUSA. While we were able to reduce staffing levels given fewer activity options, it was not a 1:1 ratio in staff cost reductions.
Staff Addition: in Key Areas	With the UOP Housing Project anticipated to open in August 2019, staff recommends hiring a Housing Coordinator position sometime in January 2019 in order to effectively pre-lease and plan the operations of this key new facility.
Removal of Venue Contingencies	Reduction of the current value between all areas of \$105k to \$0.

The cumulative effects of summer activity revenue impacts result in current revenue actuals being off over (\$1.3M) to budget. Staff brought this to a recent Audit & Finance Committee Meeting where the following proposed adjustments were reviewed and supported by the committee.

	Facility O & M	Core Sport	Public Program		Utah Sport for Life	Foundation Admin
Expense	(\$5.1M)	(\$4.9)	(\$5.2M)	(\$5.1M)	(\$27k)	(\$2.0M)
Revenue	\$1.3M	\$2.1M	\$9.1M	\$7.5M	\$27k	\$0.7M
Net	(\$3.8M)	(\$2.8M)	\$3.9M	\$2.4M	\$0	(\$1.3M)

	April Approved	October Recommended
Total Expenses	(\$17.2M)	(\$17.1M)
Total Revenues	\$13.2M	\$11.6M
Net Operating Cost	(\$4.0M)	(\$5.5M)

FY19 PROPOSED BUDGET ADJUSTMENTS

BOARD DISCUSSION ITEMS

ADJUSTED FY19 OPERATING BUDGET (Staff Recommendation)

The overall impact to the UOLF Investment Portfolio and recommended action for the UOLF Board is as follows:

Operating Expense	(17,032,415)
• Payroll	(9,733,660)
• Operating Expense	(7,298,755)
Operating Revenue	11,571,175
Net Operating Loss (NOL)	(5,461,240)

BOARD DISCUSSION ITEMS

ADJUSTED FY19 OPERATING BUDGET (Staff Recommendation)

	April Budget Approved	Proposed Budget Adjustment
FY'19 Starting Investment Portfolio Balance	\$56,302,000	\$56,302,000
Projected UOLF Investment Portfolio Earnings	\$4,060,000	\$4,060,000
Projected Cap X State Funding	\$9,000,000	\$9,000,000
Operating Revenue	\$13,226,612	\$11,571,175
Operating Expense	\$(17,265,318)	\$(17,032,415)
Cap X Expense	\$(8,997,930)	\$(8,997,930)
Remaining Cap E Self Funded Projects	\$(570,000)	\$(570,000)
Repayment from Bond Financing	\$ 3,590,000	\$ 4,000,000
FY'19 End – Projected Investment Portfolio Value	\$59,345,364	\$58,332,830

BOARD DISCUSSION ITEMS

KEY MESSAGES FOR PROPOSED BUDGET ADJUSTMENT

The Investment Portfolio's expected return remains annualized at 7% despite numerous factors including the timing and use of Investment Portfolio funds for capital improvements, delayed bond financing date that slowed reimbursement funding back to the investment portfolio, and market performance of the invested assets at a cumulative 8+%. Should actual earnings for the fiscal year outperform or underperform to the 7% targeted earnings rate, then the ending Portfolio value will either be higher or lower than projected.

UOLF adds one key staff resource important to UOP's future housing project revenue-expense model, with minimal budget impacts within the current fiscal year.

Added construction delays, deferred marketing efforts, and challenges in ramping up efforts to operate new public activities caused a \$1.3M shortfall in actual UOP revenues to anticipated budget targets.

UOLF public activity revenues through the remaining part of the year have been adjusted to achievable targets.

Note: This budget adjustment does not change at all the planned capital project improvements.

BOARD MEETING MINUTES

PAST QUARTER MEETING MINUTES

UTAH OLYMPIC LEGACY FOUNDATION

THURSDAY, JULY 19TH 2018 | UTAH OLYMPIC PARK | PARK CITY, UT | QUINNEY CONFERENCE ROOM

Welcome & Call to Order

The July 19, 2018 UOLF Board meeting was called to order at 6:05pm by Luke Bodensteiner, Chair. Additional Board members present were Brett Hopkins, Courtland Nelson, Catherine Raney Norman, Bob Wheaton, David Winder, Spencer F Eccles, Becky Kearns, and John Larson. Natalie Gochnour, Eric Hutchings, Vicki Verela, and Grant Thomas were unable to attend. UOLF Staff present included Colin Hilton, Karla Knox, Marc Norman, Lisa Bennion Rasmussen, Stuart Ashe, Todd Porter, Jamie Kimball, and Caitlin Riviere. Guests were Laura Lewis, Larry Moore, Richard Bezemer, and Darren Hughes.

Approval of Minutes. Minutes from the April 25th UOLF Board Meeting were reviewed. Luke Bodensteiner motioned for approval with Catherine Raney Norman seconding: minutes were unanimously approved.

Luke, thanked the team for the beautiful groundbreaking. He stated that today's meeting would review two items, one really positive (Oval Long Term lease) and the other more complex (final bond process steps).

Colin announced that Marc Norman is moving on to be the new CEO for the USA Climbing. The Board and Colin thanked Marc for his tenure time and tireless efforts as an invaluable staff member for the past 22 years.

Long Term Oval Lease

Colin reviewed for the Board the history and near final terms associated with the proposed Utah Olympic Oval long term lease. The lease will commit UOLF to a 30 year lease with two extension options of twenty years each at UOLF's discretion. Colin and the Board reviewed the decision point back in 2007 to commit to running the Utah Olympic Oval as long as the UOLF could support its operation. At the time, there was consideration to end the UOLF's involvement and all agreed it was the prudent and impactful thing to do in maintaining operational involvement in order to ensure the UOLF was involved in two Utah communities and not just one.

Larry Moore, attorney for UOLF spoke to several of the key agreement terms for which discussion educated the Board members to comparisons to the last time discussed. After careful consideration, Courtland Nelson motioned for approval to have Colin sign the long term Oval lease, with Bob Wheaton seconding. The UOLF Board unanimously approved.

Further discussion was had on additional agreements related to the Utah Olympic Oval and new KATEC project. Colin & Larry reviewed both the summary terms of the KATEC's Ground Lease and Declaration of Condominium.

Update on Bond Financing

Karla Knox updated the Board on actions that occurred since the last Board meeting relating to UOLF's bond financing steps.

Colin stated that Summit County has been terrific partner in being a conduit sponsor. Laura Lewis, UOLF's Financial Advisor on this bond transaction, reviewed past RFP steps taken and the rationale on how Zions Bank was chosen as the selected purchaser of the Bond.

Discussion reviewed some challenges occurring in the process steps with Zions Bank in getting to a closing. While set up as a revenue bond, UOLF was being requested to provide certain materials more traditional to a construction loan. In the end, the team working closely on this transaction outlined the remaining steps and positions the Board agreed would be prudent and necessary to finalize the transaction. Luke directed the Finance & Audit committee to continue to assist Colin and Karla in finalizing the bond issuance.

Adjournment

The meeting ended at 7:04pm and Board members were requested to walk down to the Nordic Jumps for UOLF's evening Anti-Gala fundraising event.