



# UTAH OLYMPIC LEGACY FOUNDATION

FY19 Q3 BOARD MEETING MATERIALS | JANUARY 23<sup>RD</sup> 2019



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October 2018 Board Meeting





# EXECUTIVE SUMMARY

## FY19 YEAR-TO-DATE OVERVIEW

As we start the 2019 calendar year, I am reminded of the fact that this is the 12<sup>th</sup> year of preparing for a January Board meeting focused on strategic planning. We have seen and accomplished a lot over the past dozen years with many more to come! It's a chance for us to review efforts on how we are advancing our five "Core Mission" efforts, and to discuss any adjustments to our goals and strategies. These discussions then allow us to prepare a proposed budget for a next fiscal year starting May 1, 2019 – April 2020.

2018 ended with the usual mix of some great news and some not so great news! On the positive side of things, years of hard work towards advancing our portion of Utah's Olympic legacy was rewarded with a nod by the USOC that Utah is the US Candidate City for an Olympic Winter Games for a date still uncertain! Our story of vibrant programs, community engagement, world class events, and well-maintained venues certainly was a key part of the rationale. On the flip side, the financial market volatility has put a dent into our Legacy Fund, reducing its value to a new low of \$51 million (\$52M was the low back in 2008/09). While we can't influence the financial market swings, we do have to react to certain realities now facing us.

We will focus most of the upcoming meeting on reviewing our current financial position and the choices we have in how we approach the next 10-15 year period ahead of us. There is a balancing act of sorts to be done; weighing the current efforts of "Legacy Impact" with the financial realities of the costs to run Olympic venues and the programs that operate within them. It is an extremely important topic, for which will likely take ongoing efforts through this next year to fully work through.



Please enjoy the updates that follow, and the stories of an incredible legacy effort currently taking place. I look forward to our upcoming Board discussions!

**CAPITAL BUDGET** Through December 31, 2018, UOLF has spent approximately \$4.8M toward the approved CAP X budget of \$9M. We have received \$7M of the \$9M from the state of Utah and anticipate requesting and receiving the remaining \$2M in the spring. Major Cap X projects completed or significantly in process are the oval boiler and chiller, the purchase of the Snowcat for the park, parking and utility work for the CMB Finish Area at Soldier Hollow.

**OPERATING BUDGETS** In October 2018, the board approved a recast budget with a net operating loss of (\$5,461,240). After recasting, we began to see a positive trend through November 2018, with a positive variance to budget at that date of \$505k. We believe this is largely due to timing of expenses as budgeted. Further, there are several factors that will impact our results over the next several months. First, the recast budget included zip tour opening in late December, and it now looks as if it will open in May. Second, the upcoming Biathlon World Cup is anticipated to have a negative variance. On a positive side, we are anticipating a strong tubing number as the tubing revenue over the holiday period was significantly higher than budgeted and compared to the prior year. It should be noted that our competitor, Gorgoza Park, is closed this winter, so their significant tourist client base is finding their way to Soldier Hollow. That, coupled with the magic carpet investment made in the previous fiscal year allows larger capacities helps to offset some lost revenue from the zip tour. Lastly, our staff is working diligently to control costs, especially payroll related, to offset lost revenues. We are striving to help keep this positive variance throughout the remainder of our fiscal year. That all being said, while the below information is provided, we anticipate that the positive variance as of November 2018 may be reduced by our fiscal year end.



## INVESTMENT PORTFOLIO PERFORMANCE THROUGH DECEMBER 31, 2018

THE UOLF INVESTMENT PORTFOLIO BEGAN THE CURRENT FISCAL YEAR AT A VALUE OF \$56,302,000, DECREASING (10.21%) TO \$50,553,000 AS OF DECEMBER 31, 2018. THIS WAS A RESULT OF A (4.14%) INVESTMENT LOSS OF (\$2,332,000) COUPLED WITH A (6.07%) OR (\$3,417,000) REDUCTION FOR OPERATING BUDGET NEEDS. THE CALENDAR YEAR 2018 SAW A (4.31%) INVESTMENT LOSS OF (\$2,545) COUPLED WITH A (10.10%) OR (\$5,967,000) REDUCTION FOR OPERATING & CAPITAL PROJECT BUDGETS. OF NOTE, THROUGH MONDAY JANUARY 14<sup>TH</sup>, PUBLIC EQUITIES ROSE APPROXIMATELY \$1M FROM THE START OF THE CALENDAR YEAR PUTTING THE ESTIMATED LEGACY FUND BALANCE AT \$51.5M.

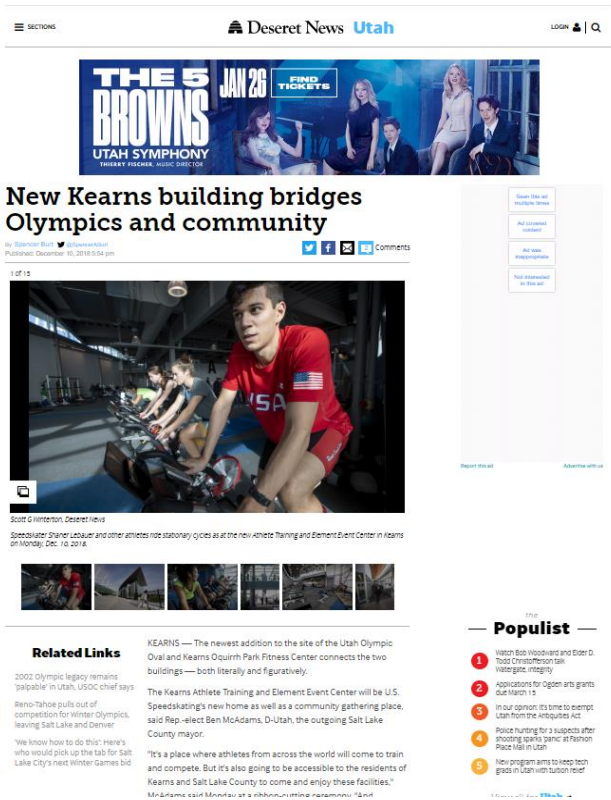
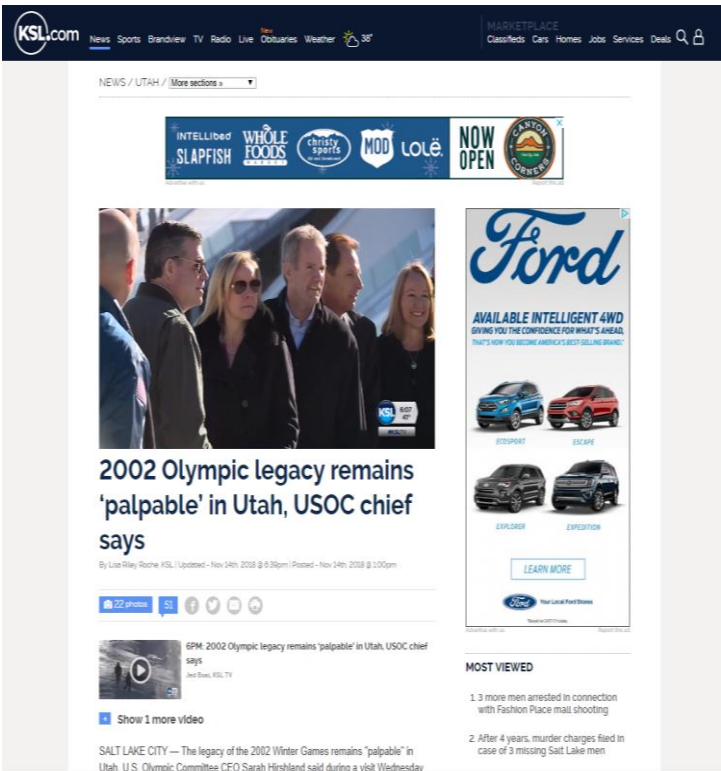
# FINANCIAL UPDATE



## MEDIA/PR

A large amount of our media coverage during this time frame focused on a potential future Olympic bid. We had numerous stories about the vibrancy and uses of all three of our venues.

This media attention also had a positive impact on attendance to our ribbon cutting ceremony for element event center with all four major stations in attendance.



THE CHRISTIAN SCIENCE  
MONITOR

## This man makes sure the public has access to Utah's Olympic facilities

DEC 31, 2018 · 5 MINUTES

Save For Later



Colin Hilton of the Utah Olympic Legacy Foundation stands in front of facilities managed by his organization. Source: David Karas



Time Magazine USA · Dec 15, 2018 · 9:18 am

## Salt Lake City Gets Green Light to Bid for Winter Olympics

photo shows a boy training with the Rocky Mountain Luge Club at the Utah Olympic Park in Park City, Utah, where the luge and bob sleigh



Reach 15M

Neutral

By Melanie Welch, Director of Marketing

# MARKETING UPDATE

## EVENTS



**Utah Olympic Oval Trick-or-Treat Street**  
Over 4,300 from the Kearns Community attended



**Utah Olympic Oval Holiday Fest**  
1,571 from Kearns Community attended



**ISU World Cup Short Track**  
1,726 attended and vibrant VIP area

## MARKETING OVERVIEW

The Oval ran a targeted radio campaign on 100.3 FM during the month of December promoting public skate and sport programs. With this being the primary Christmas station in SLC, it gets over 1 million listener impressions a week during this time frame. The campaign was a success – the Oval had record breaking public skate attendance over the holiday season. The Park focused on a mix of social, radio, and tourism publications to promote the winter activities. Soldier Hollow focused on a mix of social and print to promote the holiday season of winter tubing and XC skiing.

	SKATERS	SKATE RENTALS	TOTAL REVENUE
2017	1,902	1,738	\$13,975.50
2018	2,304	1,668	\$15,688.00

Due to the radio advertisements, a new single day Public Skate Attendance & Skate Rental Record was set, shattering the record.

*By Melanie Welch, Director of Marketing*

# MARKETING UPDATE



## GROUP SALES CONTINUES TO EXCEED BUDGETED REVENUE GOALS

The group sales team maintained a cumulative revenue growth trend across all three venues in the final quarter of 2018. As of December 31, the group sales team has improved revenue by 6% over cumulative revenue for FY18 (with four months remaining in the fiscal year).

A tremendous October at Utah Olympic Park helped to ensure we stayed above our target, even with the packed World Cup season on the sliding track.

**The Element Event Center** Opened in November. With a new, state of the art meeting and conference facility, we look forward to introducing our new space to the community, corporate meeting and event groups, meeting and event planners and relevant organization to drive revenue. The Utah Olympic Oval also had its best December on record, with \$55,040 group revenue serviced, a 274% increase from FY18.

	Budget	Actual	Change
October	79,713	162,336	82,623
November	33,498	23,250	(10,248)
December	110,905	74,602	(36,303)
<b>TOTAL</b>	<b>224,116</b>	<b>260,188</b>	<b>+36,072</b>

## SPONSORSHIP

We continue to cultivate long-term partners with a year over year increase. To date, through our three venues and uolf, we've secured the following revenue (separate from event specific sponsorship, i.e. World cup events):

Grants/Fundraising/Sponsorship	FY19 Budget	YTD Actual
Government & Private Grants	\$162,500	\$120,000
Sponsorship (Cash & VIK)	\$229,100	\$262,440
Donations/Scholarships	\$195,000	\$143,505

*By Michael Hopkins, Group Sales Director*

# GROUP SALES UPDATE



Adobe



BRIDGE INVESTMENTS



CORPORATE GROUPS HOSTED



**NEW FOUR- YEAR PARTNERSHIP:** Sunbelt Rentals signed on as our official equipment rental partner. We have a four-year, Value in Kind (VIK) partnership through FY22 with a year over year increase. All three venues use Sunbelt equipment for events and venue capital improvements. We look forward to growing our partnership with Sunbelt.



**RESEARCH & DEVELOPMENT** The group sales department is currently in the process of doing a full evaluation of the products and services sold by the department beginning April of 2015 and extending through May of 2019. We expect to have a full report for the leadership team by the first fiscal board meeting of FY20.



# SPONSORSHIP & FUNDRAISING

# CAPITAL PROJECT UPDATES

## ATHLETE AND EMPLOYEE HOUSING PROJECT

Construction is well underway as Jacobsen is working towards drying in the building with the roof complete, majority of windows in and drywall starting soon 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 looks to be completed for a August 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

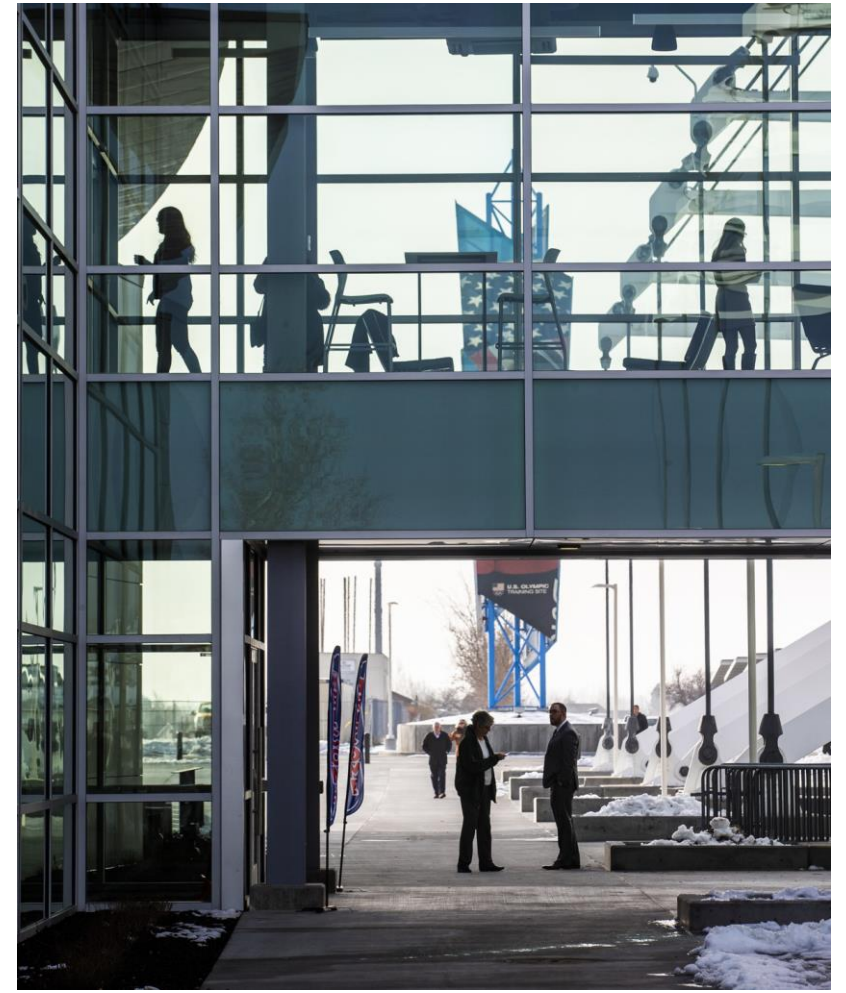




# CAPITAL PROJECT UPDATES

## THE KEARNS ATHLETE TRAINING AND ELEMENT EVENT CENTER

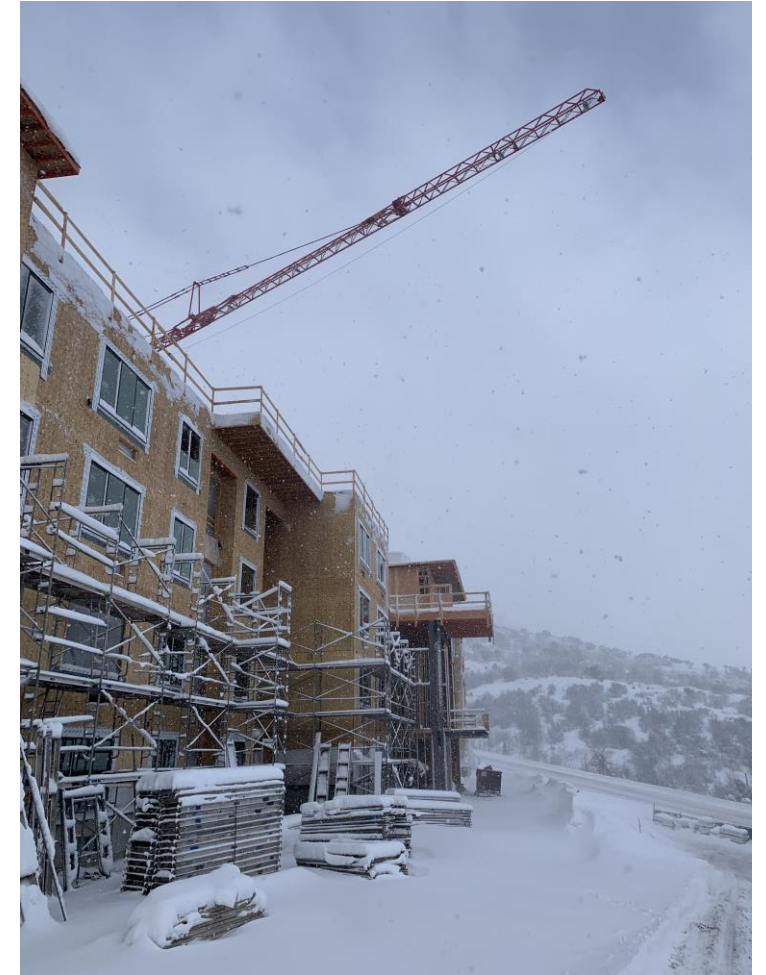
The newest addition to the site of the Olympic Oval celebrated its opening with a very well attended Ribbon Cutting event on December 10<sup>th</sup>. The Kearns Athlete Training and Element Event Center are now fully operational and have hosted a handful of corporate groups who have enjoyed the new facilities. US Speed Skating is training from their new site and Kearns residents enjoy their new work-out facilities.





## EVENTS

- Utah Olympic Park hosted a double IBSF Bobsled & Skeleton North America's Cup, November 14<sup>th</sup> – 21<sup>st</sup>
  - 120 athletes from 22 nations participated
  - U.S. Team earned 3 gold, 3 silver and 2 bronze medals
- We hosted a double Junior Luge World Cup November 29<sup>th</sup> – December 8<sup>th</sup>
  - 109 athletes from 15 nations participated
  - U.S. Team earned 1 bronze medal
- We hosted a double IBSF Bobsled & Skeleton Para World Cup December 10<sup>th</sup> – 15<sup>th</sup>
  - 13 athletes from 9 nations participated
  - U.S. Team earned 2 silver and 3 bronze medals
- A Nordic Combined Continental Cup Dec 18-20<sup>th</sup>
  - 75 athletes from 11 nations
  - U.S. athletes earned 1 ladies gold during the first event and one men's gold during the second event
- UOP hosted a Ski Jumping FIS Cup Event Dec 19-20<sup>th</sup>
  - 45 athletes from 9 nations.
- We hosted US Aerial Selections, FIS Aerial Noram Event January 4-5<sup>th</sup>
  - 36 athletes, 3 nations
- We hosted IBSF Skeleton Intercontinental Cup, January 18-19<sup>th</sup>, Cancelled first day of races due to weather



*By Jamie Kimball, UOP General Manager*

# UTAH OLYMPIC PARK UPDATE

## PUBLIC ACTIVITIES & FACILITIES

UOP had very strong holiday numbers, with guided tours sold out and so popular that our Guest Services staff took the initiative to add 2 extra tours per day between Christmas and New Years to accommodate demand. Public bobsled rides were at capacity for the holiday week as well.

Just before the IBSF North Americas Cup Event we suffered a failure of one of our ammonia lines under the finish dock which threatened to cancel the entire event as we needed to shut down and drain the entire refrigeration system to repair it but with the strong effort by our facilities maintenance staff we were able to identify and make the repair in less than 48 hours losing only one day of training, and hosting the remainder of the event.

A solid crew of snowmakers took advantage of cold temperatures, early on in the season to help finish our snowmaking season two weeks earlier than we ever had before, which is amazing. The addition of two more snow guns to the fleet helped secure a December 1<sup>st</sup> opening of the alpine lane to support our Park City Ski & Snowboard alpine clubs training as early as possible.

The Fall dirt work and installation of a tower fan gun on the aerial site significantly shortened the amount of time needed to get that hill up and running for the winter season. The feedback from the US aerial team is that the aerial site is the best it has ever been, as well as very positive reviews from the US Freeski and Snowboard Teams on the Freeride jump set up which is now in its third season on the small hills.



# UTAH OLYMPIC PARK UPDATE

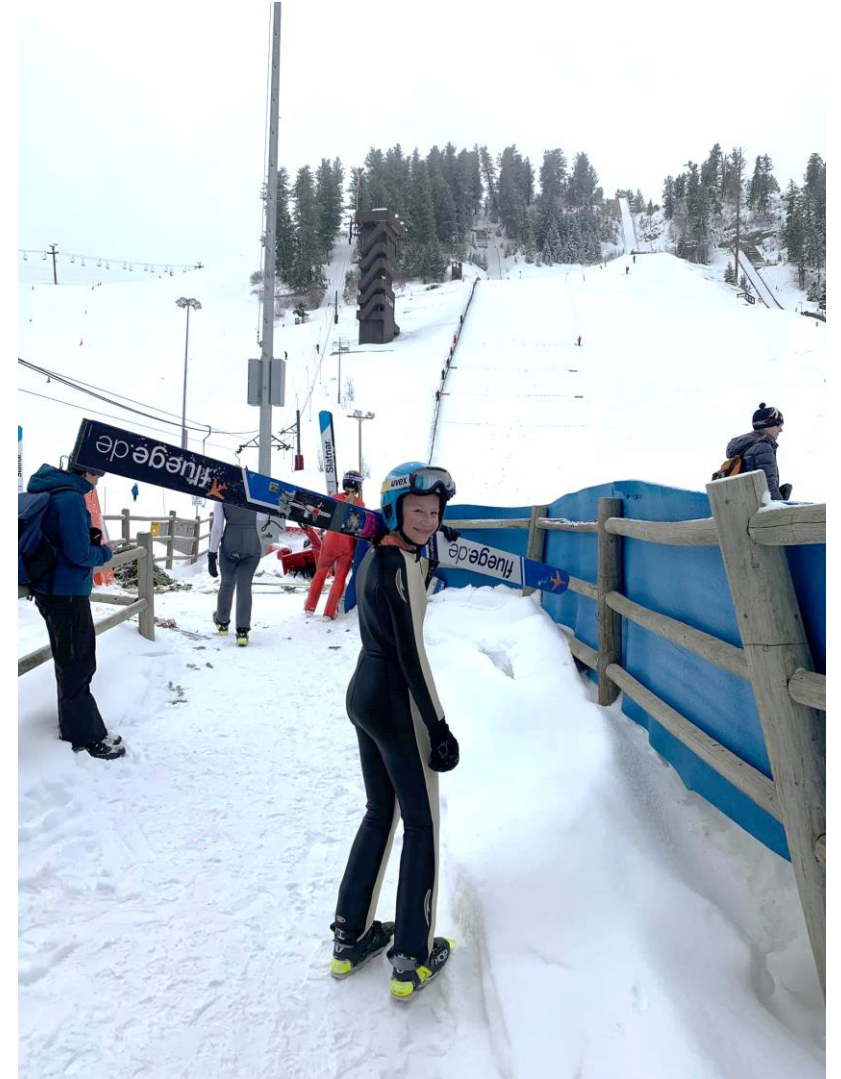
## CONTINUED UPDATES

We continue to struggle to fill positions in almost every department which is straining our track staff to maintain the track and continue the level of service for the public bobsled program. Staffing shortages are also making it tough for our lift department to accommodate all the training requests for our Park City Ski and Nordic disciplines which have increased this season to almost a 7-day a week training need and therefore the need to maintain operations all week.

The facilities and plant manger position is still open, hoping to be filled by mid-February

The Mountain Expansion plan continues forward, with permitting with the county underway. Skytrac Inc. from Salt Lake is confirmed to install the chairlift this summer, while the team is working on an RFP to find a contractor for the snowmaking system design and installation. We are looking to start work on the road realignment and chairlift install in early to mid April as the first phase of the Mountain Expansion project.

As for other projects on the docket the tubing conveyor, push track rebuild, and alpine slide shade covers are all moving forward with planned spring openings.



# UTAH OLYMPIC PARK UPDATE



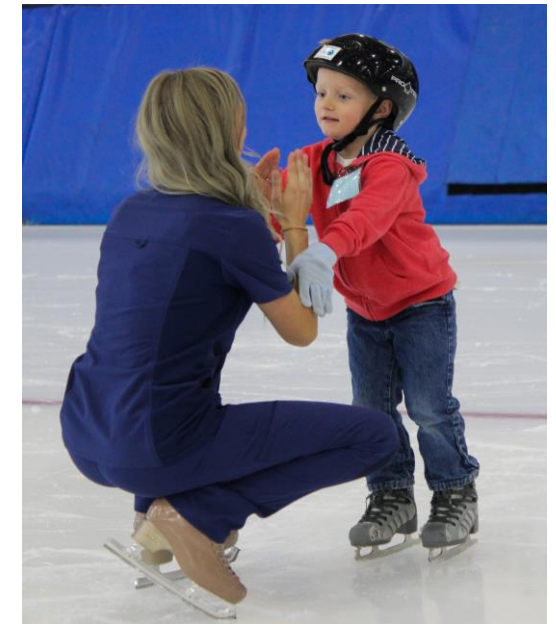
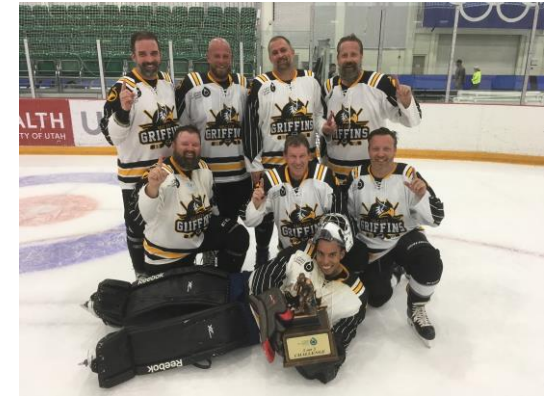
**HOCKEY** We were very proud to add 2 new expansion teams to our D-4 league this fall as we welcomed the goodfellas and junior's tavern to the group.

The Oval has so little open ice to use these days for hockey that it has been a challenge to find areas we can expand our teams. One of the areas we have targeted was trying to get more teams in our Sunday D-4 league to maximize the ice that we have. They have had a bit of a rocky start in the division and are currently occupying the bottom of the standings but we are working hard to make sure they can be long-term teams this season and beyond. Oval Dawgs youth hockey program had a outdoor tournament win in Salmon, ID this year taking first place at the U-14 level. The Dawgs went undefeated against Missoula, Teton, Coeur D'Alene and beat Boise 1-0 in the championship game. Head coach Randy Gubler has done an amazing job with that group of young men and we look forward to continued success the rest of the season.

**FIGURE SKATING** The vouchers sent out through granite school district to the children of kearns were a big hit this quarter. This took our learn to skate program to new heights with a total of 244 participants registered for classes. We had an astonishing number of kearns residents that participated with these vouchers, 96 skaters to be exact, 20 of them returned from the previous session because their children enjoyed the classes so much! This was also the second session of learn to skate that we have done parent information meetings on the second day of class. These have gone over very well, we have been able to help direct parents and skaters in the right direction so that they can participate in the skating sport of their choosing.

During the busy holiday season the learn to skate instructors offered an open house to public skaters. Anyone who paid to come through the door to skate on public skate also had the opportunity to take a free group lesson from one of our instructors. Classes were packed and skaters young and old were eager to learn the fundamentals of skating! This boosted interest in our program and led to many new registrations for the january session of learn to skate!

The figure skating program here at the oval continues to grow. Our freestyle sessions have really picked up and continue to be very busy, if not full (25 skaters) on the 4:30 pm and 5:30 pm sessions. The figure skating club currently has a total of 56 figure skaters that have joined for this year's competitive season. Many of them are new to the sport, but are dedicated and eager to begin training on a competitive level. These same club skaters participated in a holiday exhibition during holiday fest. This was a great opportunity for the skaters to showcase their skills to the general public to bring more interest to the sport.



*By Todd Porter, UOO General Manager*

# UTAH OLYMPIC OVAL UPDATES

## SPEED SKATING

This quarter we experienced our usual high volume of speed skating events. October 6-7 we hosted the US short track fall world cup qualifying event that saw 40 of the nation's best up and coming short track speed skaters chasing their dreams of competing at the international level. A few US skaters earned the right to compete on the highest level on November 9-11 as the world returned to Kearns and the Oval for the 2018 ISU Short Track World Cup. 166 skaters from 27 countries competed over the race weekend that saw one new WORLD RECORD from China's Wu Da Jing in the 500m event. Hometown hero Adam Callister was one of the US athletes on the team. Adam is a product of the Olympic Legacy Programs. Adam grew up just behind the Oval and began speed skating as a young child after witnessing the 2002 games literally in his back yard.

Our learn to speed skate program also experienced some growth from last year during this quarter almost doubling from 24 skaters to 45 skaters. We feel new energetic coaches recently hired is a prime factor in the additional numbers. The quarter closed out with US Long Track Championships December 28-30. The top 33 US men and women in long track speed skating, including US Olympic medalist Brittany Bowe were back in action on the fastest ice on earth here at the Utah Olympic Oval racing to earn a spot on this year's world championship squad. Another bright spot in the competition was performance of the youngster Casey Dawson from the Park City Speed Skating Club. Casey although a PC team member has spent most of his skating career here at the Utah Olympic Oval training with our oval speed skating club and FAST high performance long track team. Casey skated to a finishing time in the men's 5,000m event that earned him a spot on the US team to compete on World Cup circuit.



# UTAH OLYMPIC OVAL UPDATES

## CURLING HIGHLIGHTS

The third quarter saw incredible numbers of learn to curl participants. Every learn to curl class was SOLD OUT in attendance for the months of October through the end of December (458 participants). This eclipses the 150 registrations from Q3 2017 and it only looks to be more of the same going into our 4<sup>th</sup> quarter. Cosmic curling classes for November and December also nearly sold out in attendance at 85 participants. Our in house curling league remains steady with 13 teams for fall season. We added a new product, a learners league that would act as a bridge program for those looking to make a step from the learn to curl classes to participating in our competitive leagues. The class numbers were low as expected in the first month but word of the programs' curriculum and detailed instruction has been spreading and the registration numbers are quickly growing for future sessions.

The unavailability of the learn-to classes has played a role in the current growth of the learners league as the curling bug is infecting everyone and with the sold out introduction classes, curling enthusiasts are looking for somewhere to go to learn more about the sport and the learners league seems to be a great fit! The final piece to the curling pie here at the Oval is our corporate curling events. Over this quarter we entertained 25 private groups and instructed over 1,500 participants on the curling sheets and with a few groups returning. The word is spreading fast that the sport of curling is SWEEPING the nation and Utah Olympic Oval has become a home for curling!



# UTAH OLYMPIC OVAL UPDATES



**FACILITY** Soldier hollow staff had very busy fall with numerous capital improvement projects. A new paved, 100 space parking lot was constructed in the ski stadium with accompanying electrical infrastructure to power international races, special events and a future expansion of the competition management building. A critical section of our snowmaking system was renovated with new pipe and several new snow guns, the large grass parking lot was top-dressed with crushed stone and the biathlon range has undergone substantial upgrades in order to host our biathlon world cup this February.



## **PUBLIC PROGRAMS**

Fall has rolled into a very active holiday season. The tubing hill with its upgraded capacity had a 38% revenue increase over the same period last year while public ski and the rental shop nearly doubled the number of visitors over last year. We have been very busy with this early winter with many positive and challenging activities. As you can see from the attachments, we are all pulling hard and looking forward to a tremendous 2019 at soldier hollow.

*By Stuart Ashe, Soldier Hollow General Manager*

# **SOLDIER HOLLOW UPDATE**

Soldier Hollow's youth programs, at all levels, have also seen growth this year. And some major success comes from the Soldier Hollow Biathlon Team with Lina Ferra and Vincent Bonacci, who recently competed for spots at the Junior World Championships at the Team Trials in early January. Farra, 17, has competed in biathlon since Soldier Hollow first started building a team a year and a half ago. The Heber City native started cross-country skiing when she was two, and has competed on Soldier Hollow's Nordic Team for several years, but she said when she tried biathlon she was hooked. Bonacci, 18, is a Salt Lake City native currently attending the University of Utah. Bonacci started racing cross-country at age 8 with the Utah Nordic Alliance, then joined Soldier Hollow when it formed the biathlon team. Now, he trains with TUNA at Mountain Dell for cross-country and comes to Soldier Hollow for biathlon practice twice a week. The pair both have qualified for the World Junior Championships and will head to Slovakia to compete.



# SOLDIER HOLLOW UPDATE



**LEGACY  
WINTER FEST**  
AT SOLDIER HOLLOW NORDIC CENTER

A CELEBRATION OF  
**ALL THINGS  
WINTER**

**FEBRUARY 14 - 17, 2019**

FAMILY ACTIVITIES \* VENDORS \* LIVE MUSIC  
FOOD TRUCKS \* BEER GARDEN \* FREE HOT CHOCOLATE

DETAILS AT [LEGACYWINTERFEST.COM](http://LEGACYWINTERFEST.COM)

## Biathlon World Cup Events February 14<sup>th</sup> – 17<sup>th</sup>

In conjunction with the 4 days of Biathlon World Cup events taking place at Soldier Hollow, the team has organized a Winter Festival, to help attract and keep guests during breaks in competition. Our hope is that this event, will start a new winter tradition at Soldier Hollow and become an annual event, with or without another World Cup.

The team at Soldier Hollow has been working tirelessly to create the best possible conditions, with around the clock snow making and event prep. The venue will start to transform over the next few weeks in prep to host our international competitors.

**IBU WORLD CUP BIATHLON** **SOLDIER HOLLOW NORDIC CENTER**

**FEBRUARY 14-17, 2019**  
**SOLDIER HOLLOW**  
**BMW IBU WORLD CUP BIATHLON**

BMW, VIESSMANN, DKB, HÖRMANN, ERDINGER, BAUHAUS, POLAR

# SOLDIER HOLLOW UPDATE

## UTAH OLYMPIC LEGACY FOUNDATION

WEDNESDAY, JANUARY 23<sup>RD</sup>, 2019

RAY QUINNEY NEBEKER LAW OFFICES | SALT LAKE CITY, UTAH

8:30-9:00am	Breakfast & Informal Discussions	
9:00am	Welcome & Call to Order	<i>Luke Bodensteiner</i>
	<i>Review &amp; Approval of October 24, 2018 Minutes</i>	
	Chair Remarks	
9:10am	Staff Updates	<i>Colin Hilton</i>
	Olympic & Paralympic Positioning Update	<i>Karla Knox</i>
	Sponsorship & Fundraising Update	<i>Lisa Bennion Rasmussen</i>
	FY'19 Current Year Highlights & Financials	
9:30am	Financial Sustainability Discussion	<i>Board Discussion</i>
	Audit & Finance Committee Report	
	Investment Portfolio Performance	
	Process Steps to ensure Long Term Financial Sustainability	
10:45am	Review & Discuss UOLF Strategic Plan Updates	<i>Colin Hilton</i>
	Current and Proposed FY20 Goals & Strategies	
11:00am	Adjournment	

# BOARD MEETING AGENDA





# BOARD DISCUSSION ITEMS

CHALLENGES TO OVERCOME IN ORDER TO CONTINUE UOLF'S "LEGACY IMPACT"

FY19 Q3 BOARD MEETING MATERIALS | JANUARY 23<sup>RD</sup>, 2018

# BOARD DISCUSSION ITEMS

Much of our Legacy Foundation's efforts over the years have focused on the balancing act of providing an "Olympic Legacy Impact" within the financial realities of our unique subsidized budgets and Legacy Fund earnings. While our efforts and "Impacts" have increased dramatically, the challenge remains in how we address the ever-evolving financial realities.

**First** – let's define "Legacy Impact." This was initially thought of and outlined by Utah community leaders back in 1994, with the following statements captured at the time:

- To own, maintain, and operate the Winter Sports Park for the benefit of amateur athletics
- To assist in funding operating costs and winter sport development at the Speed Skating Oval
- To foster the development of winter sport throughout the State
- To promote sport development programs for elite and developing athletes throughout the State
- To develop and promote amateur athletic events throughout the State, and
- To promote the ideals of the Olympic movement.

This eventually drove the creation of the Utah Athletic Foundation's Articles of Incorporation and what today we define as our 5 Utah Olympic Legacy Foundation (UOLF) Core Mission Areas, as follows:

- Core Mission #1 "**Facility**" – Maintain, Operate & Enhance Olympic Legacy Facilities at World Class Levels
- Core Mission #2 "**Core Sport**" – Engage and Involve more People, especially Utah's Youth in Winter Sport
- Core Mission #3 "**Public Programs**" – Inspire, Educate, & Entertain Through Olympic Themed Recreational Public Programs
- Core Mission #4 "**Sport for Life**" – Promote & Inspire Utah Communities to Embrace Health & Fitness
- Core Mission #5 "**Foundation Admin**" – Ensure Utah's Olympic Legacy Efforts Continue into Perpetuity

The original efforts by community leaders hoped that a successful Games would minimally create a \$40M endowment that might allow a Legacy Foundation and its two venues of Park City's Utah Winter Sports Park and Kearn's Outdoor Speedskating Oval to last for 20 years. Over time, UAF/UOLF Board members in 2007 debated and approved a motion to consciously advance a "Sport Development Initiative," that would advance efforts to grow sport programs and increase the impact of how the Olympic venues were operating in the Olympic Host venue communities. Statements made at the time included, "We would rather have a Legacy Impact for 20 years, then just have our Olympic venue doors open and nobody using them." From there, UOLF hired coaches, incited youth to engage in our programs, attracted the general public to visit and join in an activity, which eventually saw venue uses quadruple to what they are today.



# BOARD DISCUSSION ITEMS

**No one knew at the time how a \$40M Legacy Fund (that turned out to be \$76M) would last over time. Given 17 years now of Legacy operations, we can honestly say that given our current balancing act of “Legacy Impact” with the financial realities of the costs to operate and maintain not just 2, but 3 Olympic venues (with the addition of Soldier Hollow), that the Fund was NOT enough to keep “Legacy Impact” operations and venue improvements going into perpetuity.**

**Thus** – many efforts were taken on by UOLF. Most notably, by seeking ways to increase revenues through:

- Increased Public Activities
- Fundraising & Sponsorship
- Corporate and Group Events
- UOP Land Development efforts;

While also controlling expenses by

- Finding operating efficiencies and partners to assist in reducing expenses

UOLF chose to keep “Legacy Impacts” rolling, while at the same time seeking a path to “in-perpetuity” financial operations. Yes – a tough and seemingly daunting challenge - but one nonetheless as a goal that remains today.

Without the advancement of a “Sport Development Initiative” from 2007-2012, we would not have the “Community Impact” story of engaging Utah’s youth in sport and recreational programs. With these efforts, we were then set up to increase our fundraising efforts and appeal to the original concepts of broad community uses of our Olympic Legacy venues. That, along with our efforts to advance revenue generating public activities (2012 – today), has allowed us to reduce our operating losses to more manageable levels.

While we can control certain areas, unfortunately market dynamics cause our Legacy Fund’s investment earnings to fluctuate rapidly. Over time, our Legacy Fund’s annual earnings rate has exceeded 7% since 2003. While this has been quite good in the eyes of our Audit & Finance Board Committee, we have felt a need to reduce the earnings rate expectation going forward.

The recent market correction since October 2018, has seen our approximate \$59M Fund value drop to \$51M. This reality has caused us to take note of the ever present reality of the “balancing act of our financial realities and the Legacy Impact desires.”

With this January's Board meeting focused on Strategic Planning, we seek to review our options as we move into a next phase. A phase that now includes a probability of a future Olympic & Paralympic Games, that is just a little bit more real than even a year ago. While tempting to make statements such as "We need to ramp up our efforts," the more prudent and sound approach is to take measured and cautious steps. We will explore many variables and scenarios facing us, however with a renewed optimism that our next step actions can shape a path to a more long term sustainable plan for our Foundation.

### **Factors & Draft Recommended Actions Influencing Long Term Financial Sustainability**

Our Board meeting discussion on Long Term Financial Sustainability will address these current influencers:

- Current Legacy Fund Value
  - Noting reality of a \$50M Fund value instead of \$60M
- Current Operating Budget Subsidy levels – currently hovering at (\$4.5M)/yr
  - Approx. \$17M/yr in annual expenses, \$12.5M in operating revenues
  - Need to lower Net Op Losses (NOL); to levels balancing Legacy Impact with financial realities
  - Estimate needing to lower to (3.3M - \$3.5M)/yr after several years of phasing downward
- Projected Legacy Fund Earnings Rate
  - Recommendation to drop the expected ROR to a more conservative 5.5%
- Capital Improvement Expenses (Cap X) needed to maintain current day standards
  - Impact & needed Grant Funds now being allowed by a State Funding Commitment for 10 years +
- New Public Activity Revenue Expectations
  - Upcoming fiscal year should dictate expected future year values
  - Estimated at \$530k/yr after several years of refinement

# STRATEGIC PLANNING

## Factors & Draft Recommended Actions Influencing Long Term Financial Sustainability Continued

- Cost Reductions & Revenue Gains
  - Through engaging in a Cost-Benefit Analysis on Programs & Facility Areas
  - Minimum need to garner \$250k/yr in savings or increased fundraising and sponsorship
- Fundraising & Sponsorship Efforts
  - Noting value of Legacy Impact Programs and abilities to raise \$'s
- Land Development Actions
  - Focused at Utah Olympic Park
  - Actions will conservatively raise \$500-800k/yr
- Potential / Targeted Financial Impacts of a Future Olympic & Paralympic Games
  - 2030 or 2034 or not at all
  - In order to be self-sufficient and to hit current draft goals (to include: UOLF covering all operating subsidy needs, CAP X funding needs, provide no charged cost to USOC & Winter Sport NGB's for training times, continued public uses of Olympic venues, establishment of reduced rates or scholarship fund for US & International athletes to train/base in Utah), Legacy Fund value would require a \$130-\$150k infusion of new funds from a future Games

*Staff has generated a series of scenarios outlining key decisions and current financial realities. These scenarios and options where we have control over certain actions, will be discussed at length in the upcoming Board meeting and throughout the next several months.*

# STRATEGIC PLANNING CONTINUED



# FY20 STRATEGY REVIEW, DISCUSSION

## REQUESTED MOTION

Given a current assessment of all factors, staff has prepared the following draft FY'20 Strategies to be discussed reviewed and potentially adopted at the upcoming UOLF Board meeting:

- **Strategy 1 – Refine Efforts to Increase Operating Revenues and Control Operating Expenses**
  - Provide a Cost-Benefit Analysis on key programs, events, and venue facility areas
  - Refine operations of new and existing public programs at each venue.
  - Increase public & facility net revenues by 10% at SOHO and Oval, 20 % or more at UOP.
  - Increase individual donor fundraising revenue by 10% or more.
  - Increase organizational partnership revenue by 10% or more.
  - Increase grant revenue by 10% or more
- **Strategy 2 – Continue to Effectively Advance Capital Improvement Plans at All Legacy Venues**
  - Advance outlined CAP X needs at Utah Olympic Oval, Utah Olympic Park, and the Soldier Hollow Nordic Center
- **Strategy 3 – Address Current Staffing & Operating Structure Challenges due to Increased Activity**
  - Review and improve staff recruitment, retention, & support efforts.
  - Increase proactive management & “white space” Time
  - Develop a robust volunteer program
- **Strategy 4 – Analyze and Take Action on Long Term Financial Sustainability Goals Noting Current Day Dynamics**
  - Review potential impacts of a reduced Legacy Fund and balancing interests of Legacy Impacts and available financial resources
  - Determine potential financial impacts and desired financial goals for future Olympic & Paralympic Winter Games

# BOARD MEETING MINUTES

## PAST QUARTER MEETING MINUTES

### Utah Olympic Legacy Foundation – Board Meeting Minutes

**Wednesday, October 24<sup>th</sup>, 2018**

Ray Quinney Nebeker Law Offices | Salt Lake City, Utah

**Board Member ATTENDEES:** Natalie Gochnour, Bob Wheaton, Catherine Raney Norman, Spencer Eccles, John Larson, Becky Kearns, Vickie Varela, Grant Thomas, Brett Hopkins, Luke Bodensteiner, Courtland Nelson, Noelle Pace, Dave Winder. **UOLF Staff & Guests:** Colin Hilton, Karla Knox, Lisa Bennion Rasmussen, Calum Clark, Todd Potter, Stuart Ashe, Jody Andros, Jennifer Clark, John Kanarowski, Michelle Roberts, Ryan Baldwin

#### **Welcome & Call to Order**

*Luke Bodensteiner called to order the meeting at 9:08am. He thanked the board members for attending and welcomed/introduced Noel Pikus Pace and Molly Mazzolini, two new board members.*

#### **Review & Approval of July 19, 2018 Minutes**

*Becky Kearns motioned to approve, Natalie Gochnour seconded, and it was unanimously approved.*

#### **New Staff Introductions**

*Colin Hilton introduced Calum Clark as the newly appointed COO who will come on board full time following the FIS Freestyle & Snowboard World Championship events in February. Lisa Bennion introduced Ryan Baldwin as new Director of Development and Michelle Roberts as Group Sales Manager at Soldier Hollow..*

#### **Audit & Finance Committee Report**

##### **Annual Financial Audit – Tanner & Co.**

*John Larson, introduced Tanner & Company. The group started with a summary of the fiscal year audit, noting that Soldier Hollow and the Park City Ski & Snowboard Club were included into UOLF's audited financials. Tanner & Company reported that the Audit went well and that UOLF did not have any material issues.*

#### **Review of Legacy Fund Performance**

*Colin reviewed the performance of the invested Legacy Funds, outlining the overall fund value changes, asset class investment performance and current asset allocation percentages. It was noted that the domestic equity fund was performing the best so far this year.*

#### **FY'19 Current Year Financials & Operating Highlights**

*Karla reviewed for the Board the current happenings with the Operating budget financials. Additional time was spent summarizing the increased Capital Improvement projects happening given the State of Utah funding received.*

#### **CAP X & Cap E Project Updates**

*Colin and the Venue General Managers reviewed the projects currently underway at each venue.*

#### **Budget Impacts & Motion to Recast the Current FY2019 budget**

*Luke stated that UOLF has created a lot of flexibility with our unique financial funding process and that we should be cautious in making too many mid-year adjustments. John Larson remarked that it is okay to have revised projections and potentially a recast of the budget for the remainder of the fiscal year. Brett Hopkins added that UOLF needs to keep focused on finding increased & new revenue streams, but that he was good with making this mid-year adjustment.*

*Staff reported on the delayed opening of zip-tour and other construction projects including a second year of closure of the UOP's Alpine Slide. This has had significant negative budget impacts.*

*Becky Kearns motioned to allow the UOLF team to recast the budget, with Brett Hopkins giving a second and the motion was unanimously approved.*

#### **Sponsorship & Fundraising Update**

*Lisa Bennion gave an update on fundraising, stating they are ahead of their budgets and looking to sign another VIK contract to help in this year. The UOLF Anti-Gala event was very successful, raising significant funds on the paddle raise for the Athlete and Workforce Housing project.*

#### **Utah Olympic Positioning Update**

*A brief update was given on recent developments of a US Candidate City bid process for a future Olympic Winter Games. Grant Thomas reminded the group to think about Sustainability and the impacts of global warming.*

**The meeting was adjourned at 11:35AM**