

Minutes of the special meeting of the City Council held July 2, 1990 at 4:07 p.m. in the Council Chambers of the City Hall, Bountiful, Utah.

Present: Mayor: Bob Linnell
Council Members: C. Harold Shafter, Renee Coon, Bob Gramoll, Barbara Holt, and Leslie T. Foy
City Manager: Tom Hardy
City Recorder: Arden Jenson
Parks & Recreation Director: Neal Jenkins
Recreation Program Director: John Miller

Official Notice of this meeting had been given by posting a written notice of same and an Agenda at the City Hall and providing copies to the following newspapers of general circulation: Davis County Clipper, Deseret News, and Salt Lake Tribune.

Mayor Linnell called the meeting to order, after which he asked Mr. Hardy to brief the Council concerning the problem at hand.

Mr. Hardy referred to a memorandum received by FAX last Saturday morning from the Utah Sports Authority requesting additional information concerning our proposal to receive an ice sheet in connection with the 1998 Winter Olympic Games should Utah be chosen as the site for those games. Proposals for the ice sheet have been submitted to the Sports Authority by Salt Lake City, Ogden, Orem and Bountiful. Mr. Hardy briefly reviewed the type of facility proposed by each city, and said they are all very different from each other. He said ours is the only proposal that submitted a very specific cost estimate and a very specific O&M proposal. Further, our proposal was structured so that operation of the ice sheet would not have to be subsidized by the taxpayers of our community.

Bountiful's current proposal was reviewed by Mr. Hardy. It is that the Sports Authority would give Bountiful \$100,000 a year in exchange for 1,000 hours of ice time they would be able to rent out for national competition or national caliber skaters. Bountiful would then rent out the balance of the ice time and assume the balance of the O&M costs.

The memorandum from the Sports Authority asks that cities who submitted proposals take a fresh look at the possible combination of sites and venues that have been proposed to determine if all of their best options have been considered as far as ongoing O&M costs and overall utilization by the community are concerned. Also, when the Sports Authority visited each of the cities who made a proposal, additional questions arose for which answers are now needed by this Friday.

Mr. Hardy asked the Mayor and Council if we should "stand pat" with our proposal as submitted, or if we should change it. Having talked with the Mayor and Neal Jenkins, his personal feeling is that we should not "back off" on our cost estimate -- that the facility can be built for the \$3 million that the Sports Authority has allocated to it. And secondly, that we shouldn't "back off" on our proposal that they underwrite a portion of our O&M. Mr. Hardy then indicated that the only change he would recommend from our original proposal would be

that we ask the Sports Authority to subsidize the facility through the 1998 Olympics. Then, after the 1998 Olympics are over, that they deed the facility to us and we would own and operate it from then on and we would have total control over it, at which point the State's subsidy to that facility would end.

Mayor Linnell asked if we could share any savings with the Sports Authority if our O&M costs were below the \$100,000 per year, to which Mr. Hardy answered affirmatively. Councilman Shafter suggested that any cost savings we realize below the \$100,000 annual payment could be "banked," and the total residual (plus interest) returned to the Sports Authority following the Olympics when the facility is deeded over to us.

The Mayor commended City staff and personnel at the Recreation Center for the excellent job they did in making our presentation to members of the Sports Authority last week. He pointed out that our proposal was more specific than those of the other cities mainly because we have 16 years of experience operating this type of facility where they have none. He then gave his feelings as to how good a chance we have to acquire this facility compared with the chance the other three cities have. Ogden and Orem are located too far away from the center of activities. Salt Lake City is the closest but has a larger price tag (\$4.5 million) for building the facility, and then have not determined what the O&M will cost. The Mayor said he feels we have better than a 50/50 chance of acquiring this facility, and that we should actively pursue "going after it." The Sports Authority will meet on July 10th to make a decision, and we need to submit any additional information to them by this Friday.

Councilman Foy suggested that the Sports Authority may feel better about our proposal if it were changed so the O&M costs did not continue beyond 1998. Councilwoman Coon asked if the other cities submitting a proposal know what our proposal included. Mr. Hardy indicated that the information may indeed leak to them, as it was furnished to the press.

Councilwoman Coon asked if the facility would be self-sustaining following the Olympics. Neal Jenkins responded that with good planning and with some assistance from the State in promoting it as a training facility we should be able to reduce any subsidy to zero by 1998.

Councilman Gramoll Inquired as to the stability of the Utah Sports Authority. Mr. Hardy responded by saying that their revenue flow is totally stable, being guaranteed by statute. They receive 1/32 of a cent sales tax (1/64 from the cities and 1/64 from the State) through the 1998 Olympics.

Councilman Gramoll also expressed concern that whereas our present facility is providing services for our citizens, a new facility would put us into the "ice business." Mr. Hardy explained that our present facility is being used by three different groups: Skaters who are renting ice time, hockey groups, and the general public. John Miller gave information as to how much time is being used by each of these three groups. Mr. Hardy emphasized that the general public is using the ice arena less than a third of the time, and the hockey groups and renters of ice time use the facility during off hours (early morning, late evening, Sundays, etc.).

He expressed the feeling that an additional facility would increase the amount of time available for public skating and also make additional time available for the other groups.

Councilwoman Holt expressed concern that acquiring another ice facility would require a greater subsidy from the City. Neal Jenkins said that operating costs (mainly personnel) could be reduced with another facility through scheduling, and revenues could be increased by building up the various programs.

Councilman Shafter said if we are not successful in getting this new facility we will lose business to the city who does get it, and will then have to subsidize our ice arena even more than we are at the present time.

Councilman Gramoll said he is a little uneasy about the economics of getting another ice sheet in Bountiful in light of what is happening on Guardsman Way in Salt Lake City right now. They are able to attract more money than we are (mostly private funds).

Councilman Shafter made a motion that the Utah Sports Authority pay Bountiful \$100,000 per year (maximum) for operation and maintenance of the ice sheet, and in 1998 (after the Olympics) that Bountiful return to the Sports Authority any of the money not actually needed to operate and maintain the facility to that point. Further, after the Olympics in 1998, that Bountiful be deeded the facility with sole ownership of it, and at that time assume total responsibility for its future operation and maintenance. The motion was seconded by Councilman Foy and carried by a vote of four to one (Councilman Gramoll voting nay). Councilman Gramoll said he is voting against the motion because he wants to "chew on it" for another day or two.

The meeting adjourned at 5:00 p.m. on a motion made by Councilwoman Coon and seconded by Councilman Shafter. Voting on the motion was unanimous in the affirmative.