

**RESOLUTION ON UTAH ATHLETIC
FOUNDATION**

2002 GENERAL SESSION

STATE OF UTAH

Sponsor: David Ure

A joint resolution of the Legislature authorizing the Utah Athletic Foundation to alter its investment restrictions for money received by the foundation for maintaining and managing its venues and authorizing amendments to the foundation's articles and bylaws relating to the structure and governance of the board of directors and performance audits of the foundation.

Be it resolved by the Legislature of the state of Utah:

WHEREAS, S.J.R. 17, 1994 General Session, governs the sale of the Utah Winter Sports Park and payment of at least \$40,000,000 to the Utah Athletic Foundation by the Salt Lake Olympic Organizing Committee as a Legacy Fund for the operation and maintenance of the Olympic venues operated by the Utah Athletic Foundation;

WHEREAS, S.J.R. 17, 1994 General Session, and subsequent joint resolutions of the Legislature govern various aspects of the structure and governance of the board of directors and require the Utah Athletic Foundation to adopt an investment policy substantially similar to the investment policy adopted by the Salt Lake Olympic Organizing Committee, except to the extent that a specific requirement of S.J.R. 17 is expressly superseded by a subsequent joint resolution of the Legislature; and

WHEREAS, the Legislature now desires to expressly supersede the provisions of S.J.R. 17, 1994 General Session, and any subsequent joint resolutions of the Legislature with respect to the structure and governance of the board of directors and the investment policy required to be adopted by the Utah Athletic Foundation:

NOW, THEREFORE, BE IT RESOLVED that contingent upon the approval of the amended articles and bylaws of the foundation as provided in this joint resolution, the Legislature authorizes the Utah Athletic Foundation to adopt an investment policy relating to all funds it may receive for the operation and maintenance of the Olympic venues it manages, which policy shall

provide:

(1) for the investment of not less than 30% of the fund in fixed income securities and not more than 70% of the fund in equity securities; and

(2) that individual securities and managers of securities which are selected shall be of the type appropriate for a trust or endowment fund and selections shall be made with the exercise of that degree of judgement and care, under the circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs.

BE IT FURTHER RESOLVED that contingent upon the approval of the amended articles and bylaws of the foundation as provided in this joint resolution, the Legislature authorizes the Utah Athletic Foundation to amend its articles and bylaws to:

(1) provide for a board of directors of up to 19 members in accordance with the following standards:

(a) no more than five board members may hold public elective office;

(b) board membership shall include at least;

(i) one member residing in and representing the interests of Salt Lake County;

(ii) one member residing in and representing the interests of Summit County;

(iii) one member residing in and representing the interests of Wasatch County; and

(iv) two members representing the interests of athletes using the facilities owned, managed, or maintained by the Utah Athletic Foundation;

(c) upon the expiration of the current term of a board member or resignation or removal of a board member, the then existing board of directors shall nominate at least three individuals for the open position on the board, which may include the current board member, and submit those names to the Governor, who may, subject to the advice and consent of the Senate, appoint one of the nominees submitted to him or reject all of the nominees and request a new list of at least three nominees for the open position; and

(d) if the Governor, with the advice and consent of the Senate, has not appointed one of the nominees within 60 days from the date the list of nominees is submitted to the Governor, the list of nominees shall be considered to have been rejected and the board of directors of the foundation shall

submit a new list of three nominees to the Governor;

(3) provide that original members of the board of directors may, under the provisions of Subsection (1), be reappointed to one or more additional three-year term upon the expiration of their current terms;

(4) provide that all board members other than the original members of the board of directors shall be appointed to staggered three-year terms and may be reappointed to one or more additional three-year terms under the provisions of Subsection (1); and

(5) require that the Utah Athletic Foundation obtain independent performance audits at least once every five years by an independent auditor in accordance with generally accepted auditing standards, which audits shall be open and public.

BE IT FURTHER RESOLVED that as a condition precedent to the approval granted in this resolution for the change in the Utah Athletic Foundation investment policy and its articles and bylaws, the amended articles and bylaws of the foundation shall be submitted to and approved by the Governor, the President of the Senate, and the Speaker of the House of Representatives.

BE IT FURTHER RESOLVED that only those provisions of S.J.R. 17, 1994 General Session, and subsequent joint resolutions of the Legislature which directly conflict with the provisions of this joint resolution are superceded by this joint resolution and that all other provisions of S.J.R. 17 and subsequent joint resolutions relating to the Utah Athletic Foundation remain in full force and effect.

BE IT FURTHER RESOLVED that a copy of this resolution be sent to the Utah Athletic Foundation.