



Washington City Council

111 North 100 East
Washington City, UT 84780
Phone (435) 656-6300
Fax (435) 656-6370
www.washingtoncity.org

Agenda - Amended
Workshop Meeting
January 26, 2016

PUBLIC NOTICE is hereby given that the Washington City Council will hold a Public Meeting on Tuesday, January 26, 2016, at 6:00 P.M. directly following the Public Forum Meeting, in the Council Chambers of the Washington City Offices, located at 111 North 100 East, Washington, Utah.

1. Approval of the Agenda.
2. Discussion and review of the “Days of 47” event. Rick Neilson, Chairman
3. Discussion and review of RAP Tax applications. Mayor Kenneth Neilson
4. Discussion and review of Buxton Agreement. City Manager, Roger Carter
5. Discussion and review of Department Budget Objectives for Fiscal Year 2017.
6. CLOSED SESSION
 - A. The character or professional competence of an individual.
7. Adjournment

POSTED on this 26th day of January 2016
Danice B. Bulloch, City Recorder

In accordance with the Americans with Disabilities Act, Washington City will make reasonable accommodations to participate in the meeting. Request for assistance can be made by calling the City Recorder at 656-6308 at least 24 hours in advance of the meeting to be held.



Request for RAP Tax Funding

Washington City
November 2015

James Brigham Young
Owner/Executive Producer
Brigham's Playhouse
25 North 300 West Building C
Washington, UT 84780
435-251-8000
jamie@brighamsplayhouse.com

CONFIDENTIAL

This document includes confidential and proprietary information of and regarding Brigham's Playhouse. This document is provided for informational purposes only. You may not use this document except for informational purposes, or divulge any of its contents without the prior written consent of Brigham's Playhouse. By accepting this document, you agree to be bound by these restrictions and limitations.

Pursuant to the Resolution of Washington City, Establishing the Formula & Process for Distributing "RAP" Tax Revenue, Brigham's Playhouse, LLC, through its 501(c)3 Financial Sponsor A.R.T.S. Inc., is requesting supplemental funds of \$65,177 for their annual operating budget. Brigham's Playhouse is a year round community theatre in the City of Washington. We provide high quality production opportunities for audiences, and community & youth participants. The supplemental funding would allow us to have appealing productions and enhanced marketing to increase the number of customers we draw into the City of Washington and provide more opportunities for youth participants. These objectives will stimulate the economy and improve the quality of life in Washington.

Please find enclosed:

- Proof of our Financial Sponsor's non-profit status.
- Other sources of funding.
- Statement of Existence.
- Prior Year's Financial Statements.
- Proposed qualifying expenses to be paid with RAP tax funds.
- Detailed cost estimates for the proposed project.
- Additional Information.

Internal Revenue Service

Department of the Treasury

District
Director

Delaware-Maryland District 31 Hopkins Plaza, Baltimore, MD 21201

P.O. Box 13163
Baltimore, MD 21203

February 25, 1998

Employer Identification Number:
74-2395663

Person to Contact:
EP/EO Tax Examiner

Artistic Resource for
Teachers and Students, Inc.
c/o Ernie Doose
A. R. T. S., Inc.
3953 So. Wasatch Blvd., # 123
Salt Lake City, UT 84124

Telephone Number:
(410) 962-6058

Dear Sir/Madam:

This is in response to your inquiry requesting a copy of the letter which granted tax exempt status to the above named organization.

Our records show that the organization was granted exemption from Federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) effective March 1986. We have also determined that the organization is not a private foundation because it is described in sections 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you under section 170 of the Code.

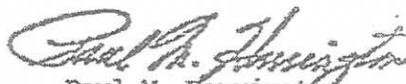
As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

You are required to file Form 990, Return of Organization Exempt From Income Tax, only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

A copy of our letter certifying the status of the organization is not available, however, this letter may be used to verify your tax-exempt status.

Because this letter could help resolve any questions about your exempt status, it should be kept in your permanent records.

Sincerely yours,


Paul M. Harrington
District Director

2016 Other Sources of Funding

Tickets Sales

Projected Ticket Sales	Average Ticket Price	Projected Ticket Revenue
30,000	\$12.36	\$370,800

Concession Sales

Projected Ticket Sales	Average Concession Purchase	Projected Concessions Revenue
30,000	\$1.86	\$55,800

Sponsorships

Number of Sponsors	Average Sponsorship	Projected Sponsorships
90	\$654.00	\$58,860

Projected Revenue

Projected Ticket Revenue	\$370,800
Projected Concessions Revenue	\$55,800
Projected Sponsorships	\$58,860
TOTAL PROJECTED REVENUE	\$485,460

Statement of Existence

Opening Date:	February 14, 2014	
1st Year (2014)	Attendance: 17,579	Number of Productions: 7
2nd Year (2015)	Attendance: 22,206*	Number of Productions: 8

(*Still in progress.)

Brigham's Playhouse is completing its second year of operation. After opening on February 14, 2014 Brigham's Playhouse has been well-received by the community and tourists in the area. It presented seven productions in its first season and had 17,579 audience members attend the shows. The next pages of this packet will contain our Financial Statements from our first year. On which, a deficit of \$117,940 is reported.

In our second year of operation we increased our regular season offerings to eight productions. We also offered a bonus production that was not part of our regular season. That show was free to the public. We still have four weeks left in our second season and we've already had 22,206 audience members attend our season.

Despite this growth in attendance we still are reporting balances in the red. To combat this debilitating state we continue to cut costs and increase sponsorships & other revenue. For example, our employee base was at 31 this time last year. In January of 2016 our number of employees will be approximately 11.

RAP Tax Funding will help supplement the business and help us continue providing the community with an important service. With the funding we hope to increase the number of opportunities for adult and youth participants and the number of audience members coming to our shows. We expect approximately 430 participants involved in some aspect of our artistic productions. This number includes a calculated 210 youth. With added the added marketing budget the RAP funding would provide, we anticipate an audience attendance of 30,000. This should bring us into the black financially and position us for growth from our currently barebones operational structure.

Brigham's Playhouse
PROFIT AND LOSS
 January - December 2014

	TOTAL
Income	
Concession Sales	28,901.33
Services	0.00
Sponsorships	32,015.00
Ticket Sales	219,361.42
Total Income	\$280,277.75
Cost of Goods Sold	
Concessions	14,918.44
Total Cost of Goods Sold	\$14,918.44
Gross Profit	\$265,359.31
Expenses	
Advertising	51,391.62
Bank Charges	6,158.27
Company Camaraderie	504.54
Company Payroll	137,392.31
Costumes	9,183.73
Dues & Subscriptions	127.00
Insurance	11,922.54
Interest Paid	1,544.13
Legal & Professional Fees	1,346.00
Mailing	1,059.96
Meals and Entertainment	270.66
Music	2,172.74
Office Expenses	5,485.85
Props	7,454.87
Rent or Lease	53,782.89
Repair & Maintenance	1,825.13
Royalties	27,544.49
Sales Tax	10,504.17
Set Design	16,276.48
Show Scripts	7.95
Signage	832.75
Software	1,011.48
Stage Equipment	318.74
Stationery & Printing	10,755.41
Supplies	5,243.21
Taxes & Licenses	5,831.73
Travel	210.00
Unrecorded Credit Card Charges	0.00
Utilities	10,457.06
Website	2,684.58
Total Expenses	\$383,300.29
Net Operating Income	\$ -117,940.98

Net Income

\$ -117,940.98

Thursday, Feb 12, 2015 06:49:42 PM PST GMT-7 - Accrual Basis

Brigham's Playhouse
BALANCE SHEET
As of December 31, 2014

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Wells Fargo - Brigham's Playhouse	0.00
Zions - Brigham's Playhouse	31,178.86
Zions Payroll Withholdings	1,000.00
Total Bank Accounts	\$32,178.86
Other current assets	
CC & Cash Deposit Clearing	-12,881.69
Prepaid Royalties	26,531.75
Total Other current assets	\$13,650.06
Total Current Assets	\$45,828.92
Fixed Assets	
Building Renovations	38,136.18
Furniture & Fixtures	10,865.89
Lighting	34,261.52
Machinery & Equipment	9,680.83
Total Fixed Assets	\$92,944.42
Other Assets	
Security Deposits	800.00
Total Other Assets	\$800.00
TOTAL ASSETS	\$139,573.34
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	17,759.22
Total Accounts Payable	\$17,759.22
Credit Cards	
Wells Fargo Brigham's Playhouse	-314.63
Total Credit Cards	\$ -314.63
Other Current Liabilities	
Payroll Tax Payable	4,914.78
Sales Tax Payable	4,050.33
Season Ticket Purchased	19,263.34
Shareholder Loan - Knapp	15,134.21
Shareholder Loan - Young	63,121.87
Total Other Current Liabilities	\$106,484.53
Total Current Liabilities	\$123,929.12
Long-Term Liabilities	

Notes Payable - Merkely	50,000.00
Total Long-Term Liabilities	<u>\$50,000.00</u>
Total Liabilities	<u>\$173,929.12</u>
Equity	
Owner's Equity	97,212.67
Retained Earnings	-13,627.47
Net Income	-117,940.98
Total Equity	<u>\$ -34,355.78</u>
TOTAL LIABILITIES AND EQUITY	<u><u>\$139,573.34</u></u>

Thursday, Feb 12, 2015 06:53:05 PM PST GMT-7 - Accrual Basis

Proposed Qualifying Expenses to be Paid with RAP Tax Funds

PROPOSED QUALIFYING EXPENSES	BUDGET
39 Steps Licensing Fee & Scripts	\$2,750
Honk Licensing Fee & Scripts	\$3,470
Forever Plaid Licensing Fee & Scripts	\$5,185
Steel Magnolias Licensing Fee & Scripts	\$1,700
First Freedom Royalty	\$4,800
Ramona Quimby Licensing Fee & Scripts	\$2,275
110 in the Shade Licensing Fee & Scripts	\$5,380
(mis)Fitting In Royalty Payment & Scripts	\$1,300
Oklahoma! Licensing Fee & Scripts	\$6,000
It's A Wonderful Life Commission & Scripts	\$8,000
Marketing Budget	\$19,756
Financial Sponsor	\$4,561
TOTAL QUALIFYING EXPENSES	\$65,177

Terms Defined

Licensing Fees are the expenses required to gain permission to legally produce a show owned by another entity.

Royalty is an expense paid to an original creator of a show as per agreements to reproduce the work.

Commissions are expenses paid for an artist to create a show for production.

Marketing Budget funds that will be used to attract audience members to our shows and other businesses in the city of Washington.

2016 Cost Estimates

PROJECT CASH EXPENSES	ANNUAL BUDGET	DESCRIPTION
Employee Payroll	\$189,670	Hourly and salary employees' compensation. To date, the owners of Brigham's Playhouse have not been paid for any of their work or reimbursed for any of their contributions to the business.
Production Costs	\$55,200	Set, props, costumes, lights, and sound for our productions.
Royalties/Licensing Fees	\$42,000	Royalty, scripts, commissions and licensing fees for the plays and musicals we produce.
Concessions Costs	\$27,000	Wholesale costs of products and serving supplies.
Building Lease	\$30,000	Monthly building lease payment of \$2500
Utilities	\$13,400	Electricity, gas, and phone.
Taxes	\$61,483	Payroll, Sales & Use, and Restaurant Taxes and Work Force Services Fund
Software Expenses	\$2,407	Ticketing, Bookkeeping, and Graphic Design software.
Insurance	\$13,549	Liability and worker's comp insurance.
Banking & Financial Services	\$11,160	Merchant Services & other Banking Fees
Advertising	\$19,756	Brochures, radio, ads.
Printing Costs	\$24,000	Programs, posters, fliers.
Debt Repayment	\$54,744	Credit payments.
Financial Sponsor Fee	\$4,561	Financial Sponsor is A.R.T.S. Inc. This is figured at 7% of the funding amount.
Accounting Fees	\$1,950	Accounting fees.
TOTAL EXPENSES	\$550,880	

Additional Information

Theatre Art increases the quality of life to a city and enlightens a community with a greater sense of unity, awareness, culture and humanity. Brigham's Playhouse fills that void in the City of Washington, but we are struggling to survive. With Washington County's other theatre entities' ability to out-spend and out-promote us, our business has struggled to gain its footing. St. George Musical Theatre, Hurricane Valley Theatrical Company, and the gargantuan Tuachan are partially to fully subsidized by local governments.

Many of our customers exclaim that they prefer Brigham's Playhouse to any theatre experience in Southern Utah. (For both of our first two years' of operation we've received Best of Southern Utah honors from the Spectrum.) But these same customers wonder why more people don't come to our theatre. The comparative quality of our product exceeds our ability to comparably market ourselves. When Brigham's Playhouse is granted RAP Tax funding its ability to attract more business to the local economy and its ability to increase artistic culture for the citizens of Washington will be greatly strengthened.

Cities across the United States are forging Private-Public-Partnerships (P3s) with private businesses. In this spirit, Brigham's Playhouse respectfully requests a win/win relationship with Washington City. Brigham's Playhouse would like to be the private enterprise that is known as Washington City's cultural emissary. We have also formed a relationship with the 501(c)3 business A.R.T.S. Inc. to be a force in helping them accomplish their state-wide mission and purpose. Operating under their umbrella should qualify Brigham's Playhouse for receiving RAP Tax funding and help us strengthen the City of Washington.

Brigham's Playhouse is operated by James Brigham Young (a.k.a. Jamie). Jamie was a professor of musical theatre for nearly two decades. More than half that time he was the theatre department chair at Western Wyoming College. In this capacity he managed all business affairs of the theatre department. He has directed, written, produced, choreographed, performed in or designed more than 150 productions in his career. He knows the business and art of theatre. Through his decades of teaching he has developed unique and effective artistic methods that he now passes on to the participants at Brigham's Playhouse.

To help us successfully serve Washington City we request \$65,177 in RAP Tax funding. By so funding and supporting Brigham's Playhouse the city would be building its business sector, strengthening it's downtown appeal, and increasing quality of life for citizens and tourists.

(In the future we hope to also request from the City, as part of this relationship, better access to posting production signage around town, and other in-kind services such as storage, rehearsal space, newsletter inclusion, etc.)

Brigham's Playhouse operates 12 months per year. Our first production annually opens in January. Our final production closes the last day of December. We will prepare and present 10 productions as part of the season we are requesting funding for. (There are two additional productions in our season that RAP funding will not be used to produce.) We are the only theatre in the region to serve its community year round.

Our productions are selected with current and pertinent topics to our community. Our efforts edify, enlighten, uplift, and entertain audiences and participants. We strive to create positive thoughts, dialogue, and changes in the lives of audience members and participants. We strive to not only provide an outlet for hobbyists, but to also provide professional level training in the craft of theatre so the future of the art form can be perpetuated.

Our efforts help the city's growth and economic development in three fundamental ways:

FUELS LOCAL ECONOMY - national studies show that communities with active theatres infuse local restaurants, hotels, and other shops with more revenue. Theatre-goers often patronize other businesses on the nights they attend a show.

DESTINATION LOCATION - Brigham's Playhouse attracts audience members from the local economy and we bring in audience members from outside the area. Tourism dollars create great stimulus to our city's economy. We even have season ticket holders in Los Angeles, Las Vegas, and Salt Lake City. While it is an exceptional example, one couple came to the area with the soul purpose of seeing our shows and fell in love with Washington County on their visits. They bought a house and plan to retire here. We are growing the area with creating a destination location and by adding to the quality of a tourist's experience. The appeal of an area as a destination depends largely on its cultural offerings in the evenings. We meet that bill not just part of the year, but year round.

NEW SPENDING HABITS - we have attracted thousands of audience members who were previously not getting out much at night. Having something to do at nights, year round, and adding dinner at a local restaurant in the process, has increased spending that did not exist before.

With supplemental funding we will be able to involve more community participants. Our emphasis is adding more opportunities for youth. For example, we are including an original production called (mis)Fitting In. It is a musical based on a true story. It has a profound anti-bullying message for youth that we hope thousands of school children will be presented with.

Each audience member receives a printed program which will include acknowledgment of and the logo of Washington City and the RAP Tax. In each pre-show announcement, as we mention other sponsors we will announce, "Ladies and Gentlemen, this production is made possible through support from the City of Washington and your RAP Tax dollars being put to good use." We will include the logo on our website as well.

Our theatre is named after Jamie Young's 3rd great grandfather Brigham Young, who encouraged the construction of a theatre in many of the communities he ordered settled in Utah. He said: "Upon the stage of a theater can be represented in character...good and its happy results and...the weakness and follies of man... The stage can...impress...upon the minds of a community an enlightened sense of a virtuous life..." Will you please help Brigham's Playhouse do that for Washington City?



To Whom It May Concern:

RE: Letter of Introduction

May I offer a letter of introduction on behalf of Jaime Young and Doug Knapp of Brigham's Playhouse in Washington City.

Jaime and Doug have worked very hard to establish this playhouse and if you have not seen one of their productions, you really need to. I have been impressed with the quality of productions they have brought to our city. The cast members are experienced, talented actors and bring to each play a dedication to offer the best performance every time they go on stage.

As you may or may not know, bringing a venture like this can be very expensive and time consuming. Jaime and Doug work long hours to fuel their passion and dream to have a quality theatre and productions so we all may enjoy them.

They are seeking additional sources of financing through corporate, business and individual sponsorships.

Please consider offering your assistance to them to help ensure we continue to have a wonderful venue like this, so our families can enjoy outstanding productions for years to come.

Thank you so much in advance for your consideration. Brigham's Playhouse is becoming a great asset to our community. Let's support them however we can.

Sincerely,

Kenneth F. Neilson
Mayor
Washington City

Application to Washington City from Tuacahn Center for the Arts

A. Contact Information

Organization

Legal Name: Tuacahn Center for the Arts
Founded: September 26, 1991
Federal ID: 87-0487695
Non-Profit: Yes
IRS Status (Date): 501c3 (March 13, 1992)
Street Address: 1100 Tuacahn Drive
City: Ivins
State: Utah
Zip Code: 84738
Phone Number: (435) 652-3305
Fax Number: (435) 652-3227
Email: jfisher@tuacahn.org
Website: www.tuacahn.org

Board of Directors

Name: Jonathan Hafen
Title: Chairman
Phone: (801) 598-6030
Email: jhafen@parrbrown.com

Executive Officer

Name: Kevin Smith
Title: Chief Executive Officer (CEO)
Phone: (435) 652-3307
Email: ksmith@tuacahn.org

Financial Contact

Name: Kevin Warnick
Title: Chief Operating Officer (COO)
Phone: (435) 652-3304
Email: kwarnick@tuacahn.org

Application Contact

Name: Jeffrey L Fisher
Title: Executive Director of Development
Phone: (435) 652-3305
Email: jfisher@tuacahn.org

B. Proof of Non-Profit Status

Internal Revenue Service

Date: October 20, 2006

TUACAHN CENTER FOR THE ARTS
% TINA WILDE
1100 TUACAHN
VINS UT 84738-6088

Department of the Treasury
P. O. Box 2508
Cincinnati, OH 45201

Person to Contact:

Yvette Davis 31-07751
Customer Service Representative
Toll Free Telephone Number:
877-829-5500
Federal Identification Number:
87-0487695

Dear Sir or Madam:

This is in response to your request of October 20, 2006, regarding your organization's tax-exempt status.

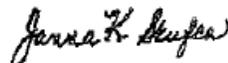
In March 1992 we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records indicate that your organization is also classified as a public charity under sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code.

Our records indicate that contributions to your organization are deductible under section 170 of the Code, and that you are qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Internal Revenue Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Janna K. Skufca, Director, TE/GE
Customer Account Services

C. Sources of Funding

Tuacahn Center for the Arts

Capital Needs (\$9.5M): Arts Center (\$4.8M) and Repair, Replacement & Enhancements (\$4.7M)

Funding Sources (status of sources/funds being pursued in support Arts Center and Deferred Capital Needs):

Source Name of Individual or Organization: government (G), foundation (F), corporate (C), individual (I), or Other (O)	Amount Amount requested, approved, pledged, or funded.	Capital Needs Arts Center (A) Replacement(R)	Status Indicate whether the funding request is pending (P), declined (D), or approved (A).
Public Funding (County and Municipalities)(G)	\$5,500,000	A/R	Approved (Ongoing)
Tuacahn Center for the Arts (C)	\$1,000,000	R	Approved (Ongoing)
Pugsley Simpson Coulter Architects (C)	\$300,000	A	Approved
George S and Dolores Doré Eccles Foundation (F)	\$250,000	A	Approved
Anonymous (I)	\$250,000	A	Approved (Pledge January 2016)
State of Utah (G) (State Legislature 2014 & 2015)	\$250,000	A	Approved
L. Douglas and Marian Smoot (I)	\$200,000	A	Approved
Miller Family Foundation (F)	\$125,000	A	Approved
Sorenson Legacy Foundation (F)	\$110,000	A	Approved
Friends of Tuacahn at Entrada (O) (Group of Entrada Residents)	\$150,000	A	Approved
Richard and Sandra Jacobson (I)	\$125,000	A	Approved
Zions Bank (C)	\$60,000	A	Approved
Wells Fargo (C)	\$50,000	A	Approved
Various Individual Donors (I)	\$240,000	A	Approved

TOTAL RAISED (RECEIVED/PLEDGED/PENDING)	\$8,610,000
TOTAL AMOUNT REMAINING (TO RAISE)	<u>\$890,000</u>
TOTAL PROJECT BUDGET	\$9,500,000

**D. Statement on how long applicant has been in existence
and most recent Audited Financial Statements**

Founded: September 26, 1991

Articles of Incorporation

ARTICLES OF AMENDMENT

TO

ARTICLES OF INCORPORATION

OF

HERITAGE ARTS FOUNDATION

Pursuant to the provisions of the Utah Nonprofit Corporation and Co-operative Association Act, the undersigned corporation (the "Corporation") hereby adopts the following Articles of Amendment to its Articles of Incorporation:

I.

The name of the Corporation prior to the date of this Amendment has been Heritage Arts Foundation.

II.

The following Amendments to the Articles of Incorporation (the "Amendments") were adopted by the governing board of the Corporation at a meeting thereof held on January 17, 1998:

- A. Article I of the Articles of Incorporation is hereby amended to read as follows:

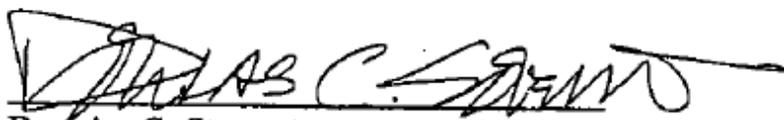
NAME

The name of the corporation is Tuacahn Center for the Arts.

NO CERTIFICATES

The Corporation will not issue certificates or shares of stock evidencing membership in the Corporation.

IN WITNESS WHEREOF, for the purposes of forming this Corporation under the laws of the State of Utah, the undersigned incorporator of this Corporation has executed these Articles of Incorporation this 26 day of September, 1991.


Douglas C. Stewart

STATE OF UTAH)
) ss.
COUNTY OF WASHINGTON)

I, CHRIS PINKERTON, a Notary Public, hereby certify that on the 26 day of September, 1991, personally appeared before me Douglas C. Stewart, who being by me first duly sworn, declared to me that he is the person who signed the foregoing document as incorporator and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 26 day of September, 1991


NOTARY PUBLIC

Address: 660 So. 200 E. SLC

My Commission Expires: 9-26-94



Section 501(c)(3) of the Internal Revenue Code of 1986 as amended.

The specific purposes for which this Corporation is formed and for which it will be operated include the following:

(a) To develop, promote and encourage in the general public a greater awareness and more complete understanding of history, culture and religious heritage by means of outdoor and indoor dramas, musicals, pageants, music and arts festivals, arts and crafts exhibitions and centers, museums, motion pictures, and any other medium that presents exists or may exist in the future.

(b) To assist in the restoration, preservation, promotion and maintenance of historic sites.

(c) To act as an agent or representative of or in cooperation with any other corporation, association, committee or commission to promote any of the purposes and objectives herein set forth.

(d) To do any and all such further acts authorized by law as may be necessary, convenient or expedient to accomplish the foregoing purposes or as are incidental thereto, as deemed appropriate by the Board of Directors.

III.

The Corporation has no members.

IV.

The Amendments received the vote of at least two-thirds of the members of the governing board of the Corporation at a meeting of the governing board held on January 17, 1998.

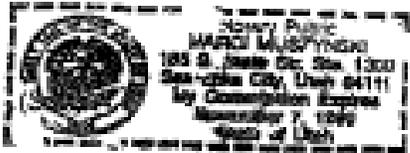
DATED this 21st day of January, 1998.

HERITAGE ARTS FOUNDATION (now known as TUACAHN CENTER FOR THE ARTS), a Utah nonprofit corporation

By: [Signature]
Jonathan O. Hafen, Secretary

STATE OF UTAH)
COUNTY OF Salt Lake)

The foregoing instrument was acknowledged before me this 21st day of January, 1998, by Jonathan O. Hafen, the Secretary of Heritage Arts Foundation, now known as Tuacahn Center for the Arts, a Utah nonprofit corporation.



Mari Murzynski
Notary Public

My Commission Expires: 11/7/99

Residing at: Salt Lake Co., Utah

Audited Financial Statements

**TUACAHN CENTER FOR THE ARTS
(NONPROFIT ORGANIZATION)**

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tuacahn Center for the Arts
St. George, Utah

We have audited the accompanying financial statements of Tuacahn Center for the Arts (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tuacahn Center for the Arts as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 11 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Hafen, Buckner, Everett & Graff

HAFEN, BUCKNER, EVERETT & GRAFF, PC

April 16, 2015

Tuacahn Center for the Arts

Statement Of Financial Position

December 31, 2014

ASSETS

Current Assets:

Cash	\$ 928,863
Inventory	119,825
Receivables	23,964
Prepaid Expenses	68,692
Total Current Assets	<u>1,141,344</u>

Fixed Assets:

Construction-In-Progress	13,000
Land	655,865
Depreciable Assets	23,541,903
Less: Accumulated Depreciation	<u>(10,668,358)</u>
Total Fixed Assets	<u>13,542,410</u>

Other Assets:

Copyrights	275,001
Equity Bonds	15,147
Loan Fees	5,037
Less: Accumulated Amortization	<u>(276,201)</u>
Total Other Assets	<u>18,984</u>

TOTAL ASSETS \$ 14,702,738

LIABILITIES & NET ASSETS

Current Liabilities:

Accounts Payable	\$ 67,598
Accrued Liabilities	115,333
Credit Cards	18,981
Current Portion of Long-Term Liabilities	144,089
Deferred Revenue	1,009,670
Gift Certificates Outstanding	153,371
Total Current Liabilities	<u>1,509,042</u>

Non-Current Liabilities:

Long-Term Liabilities	<u>1,930,573</u>
Total Non-Current Liabilities	<u>1,930,573</u>
Total Liabilities	<u>3,439,615</u>

Net Assets:

Unrestricted	10,546,363
Temporarily Restricted	716,760
Total Net Assets	<u>11,263,123</u>

TOTAL LIABILITIES & NET ASSETS \$ 14,702,738

The Accompanying Notes Are An Integral
Part Of These Financial Statements

Tuacahn Center for the Arts
Statement Of Activities
For The Year Ended December 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
REVENUES			
Donations	\$ 175,723	\$ 80,946	\$ 256,669
Donations in-kind	126,752	-	126,752
Grants	110,219	129,275	239,494
Productions	7,980,228	-	7,980,228
Concerts & Events	1,005,077	-	1,005,077
Gift Shop	472,330	-	472,330
Concessions	642,426	-	642,426
Rental	54,130	-	54,130
Other	309,898	-	309,898
Net Assets Released from Satisfaction of Restrictions	112,762	(112,762)	-
Interest Income	7,461	-	7,461
Total Revenues	<u>10,997,006</u>	<u>97,459</u>	<u>11,094,465</u>
FUNCTIONAL EXPENSES:			
Program Services			
Tuacahn Center for the Arts	8,846,182	-	8,846,182
Tuacahn High School	350,052	-	350,052
Administrative	569,594	-	569,594
Total Functional Expenses	<u>9,765,828</u>	<u>-</u>	<u>9,765,828</u>
Change in net assets	1,231,178	97,459	1,328,637
Net assets, beginning of year	<u>9,315,185</u>	<u>619,301</u>	<u>9,934,486</u>
NET ASSETS, END OF YEAR	<u>\$ 10,546,363</u>	<u>\$ 716,760</u>	<u>\$ 11,263,123</u>

The Accompanying Notes Are An Integral
Part Of These Financial Statements

Tuacahn Center for the Arts
Statement Of Cash Flows
For The Year Ended December 31, 2014

Operating Activities:

Cash Donations Received from Public	\$ 256,669
Cash Grants Received	239,494
Cash Received from Productions and Concerts	8,886,612
Cash Received from Gift Shop and Concessions	1,114,756
Cash Received from Other Sources	372,809
Interest Income	7,461
Cash Paid for Costs of Revenues	(6,238,231)
Cash paid for Salaries and Related Costs	(1,127,991)
Cash Paid for Operating Expenses	<u>(1,514,759)</u>
Net Cash Provided from Operations	<u>1,996,820</u>

Investing Activities:

Sale of Investment	9,438
Purchase of Property, Plant and Equipment	<u>(511,306)</u>
Net Cash Provided from Investing Activities	<u>(501,868)</u>

Financing Activities:

Proceeds from Long-Term Debt	-
Proceeds from Line of Credit	507,872
Payments on Long-Term Debt	<u>(1,662,945)</u>
Net Cash Provided from Financing Activities	<u>(1,155,073)</u>

Increase/(Decrease) in Cash 339,879

Cash at Beginning of Period 588,984

Cash at End of Period \$ 928,863

The Accompanying Notes Are An Integral
Part Of The Financial Statements

Tuacahn Center for the Arts
Statement of Cash Flows (Continued)
For The Year Ended December 31, 2014

RECONCILIATION OF CHANGES IN NET ASSETS TO NET
CASH PROVIDED BY OPERATING ACTIVITIES

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets \$ 1,328,637

**Adjustments to Reconcile Net Change in Net Assets
to Net Cash Provided by Operating Activities:**

Donations In-Kind, net (126,752)

Other Non-Cash Items 61,584

Depreciation & Amortization 892,548

Changes in Operating Assets and Liabilities

Decrease (Increase) in Inventory (19,654)

Decrease (Increase) in Other Assets (3,975)

Decrease (Increase) in Receivables 8,781

Decrease (Increase) in Prepaid Expenses (31,354)

Increase (Decrease) in Accounts Payable (19,209)

Increase (Decrease) in Accrued Liabilities 19,697

Increase (Decrease) in Credit Cards (14,790)

Increase (Decrease) in Deferred Revenue (108,772)

Increase (Decrease) in Gift Cards 10,079

Net Cash Provided by Operating Activities \$ 1,996,820

TUACAHN CENTER FOR THE ARTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

A. Background

Tuacahn Center for the Arts (The Center) is incorporated under the laws of the state of Utah as a nonprofit organization and was first registered in 1991. Tuacahn Center for the Arts is located in Washington County, Utah.

B. General

The accompanying financial statements of The Center have been prepared in accordance with generally accepted accounting principles which require the use of management estimates and the accrual basis of accounting.

C. Basis of Presentation

The Center has adopted Statement of the Financial Accounting Standards (SFAS) No. 117, "*Financial Statements of Not-for-Profit Organizations*." Under SFAS No. 117, The Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

D. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

E. Description of Programs

Tuacahn Center for the Arts

Tuacahn Center for the Arts is a professional non-profit presenting and producing organization that inspires creativity and greatness in the human spirit by providing world class family entertainment and education. The Center maintains and manages an amphitheater that is used for productions, concerts and events.

TUACAHN CENTER FOR THE ARTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tuacahn High School

The Center has a facility agreement with Tuacahn High School for cost reimbursement. The mission of Tuacahn High School for the Performing Arts and Technology is to enlighten minds, inspire talent, develop abilities, promote character and preserve values, while training and encouraging students to meet the creative and intellectual challenges of the 21st century. Tuacahn High School provides an innovative and dynamic environment where all students are given the opportunity to succeed and excel in academics, and the performing arts.

F. Contributions

In accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made," contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increase in unrestricted assets if the restriction expires in the reporting period in which the contribution is recognized.

G. Income Taxes

No provision has been made for Federal income taxes because The Center is exempt from Federal income tax as an organization that was organized under Section 501(c)(3) of the Internal Revenue Code. There was no unrelated business income for the year ended December 31, 2014. In accordance with tax statute, the Center's tax returns remain subject to examination for all tax years ended on or after December 31, 2011 with regard to all tax positions and results of operations.

F. Inventory

Inventories consist of goods held for sale and are stated at the lower of cost or market. Cost is determined on the first-in first-out basis.

F. Advertising

Advertising costs are expensed as incurred and totaled \$404,726 for 2014.

TUACAHN CENTER FOR THE ARTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 2: CASH AND CASH EQUIVALENTS

The cash and cash equivalents are considered to be cash-on-hand, demand deposits and short-term investments.

On December 31, 2014, The Center's bank balance was \$883,282 and the book balance was \$923,563. The Center also had \$5,300 of cash on hand at that time. \$500,000 of the bank was insured by FDIC insurance at December 31, 2014. \$383,282 is not covered by FDIC insurance nor collateralized.

NOTE 3: FIXED ASSETS

Expenditures for fixed assets are carried at cost. Donated assets are recorded at their estimated fair market values at the date of donation. Depreciation of fixed assets is calculated on the straight line basis over the asset's useful life. The Center has fixed assets recorded under capital lease of \$80,000 from which there was \$16,499 of depreciation in 2014.

Fixed assets as of December 31, 2014 consisted of the following:

Description	12/31/2013	Additions	Dispositions/ Adjustments	12/31/2014
Depreciable Assets:				
Buildings/Structures	\$ 18,407,030	\$ 31,733	\$ (8,262)	\$ 18,430,501
Computer Software	257,432	23,730	(3,656)	277,506
Costumes	288,297	87,586	-	375,883
Furniture & Fixtures	486,219	737	(650)	486,306
Machinery & Equipment	839,513	68,316	-	907,829
Office Equipment	141,610	19,745	3,656	165,011
Theatrical Production	2,532,244	246,785	(10,900)	2,768,129
Vehicles	111,564	19,674	(500)	130,738
Total Depreciable Assets	23,063,909	498,306	(20,312)	23,541,903
Accumulated Depreciation	(9,787,688)	(891,828)	11,158	(10,668,358)
Net	13,276,221	(393,522)	(9,154)	12,873,545
Construction in Progress	-	13,000	-	13,000
Land	655,865	-	-	655,865
Total Fixed Assets	<u>\$ 13,932,086</u>	<u>\$(380,522)</u>	<u>\$ (9,154)</u>	<u>\$ 13,542,410</u>

TUACAHN CENTER FOR THE ARTS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2014

NOTE 4: RELATED PARTY TRANSACTIONS

The Center pays some of the facility costs of Tuachan High School a non-profit charter school. The Center and Tuachan High School are governed by two different Boards that have some overlapping members. Amounts paid in 2014 consisted of \$305,286, and at December 31, 2014 a facility agreement existed for the next six months at \$19,284 a month. In addition, the Center has a current receivable due from Tuachan High School in the amount of \$23,964. The Center and Tuachan High School file a consolidated tax return.

NOTE 5: LONG TERM LIABILITIES

Long-term liabilities at December 31, 2014 consisted of the following:

Note payable to Wells Fargo Bank in monthly installments of principal and interest of \$16,030 with final balloon payment due May 10, 2020 in the amount of \$1,355,205.	\$ 2,026,677
Capital lease payable to a company, payable in quarterly installments of \$6,116 including interest at 14% with a final payment due June 2017, secured by equipment.	<u>47,985</u>
Total	2,074,662
Less Current Portion	(143,892)
Total Long-Term Debt	<u>\$ 1,930,770</u>

Maturities of long-term liabilities are as follows:

Year	Principal	Interest	Total
2015	\$ 144,089	\$ 72,729	\$ 216,818
2016	151,178	65,641	216,819
2017	142,026	58,498	200,524
2018	138,834	53,520	192,354
2019	143,628	48,726	192,354
Thereafter	1,354,907	18,848	1,373,755
	<u>\$ 2,074,662</u>	<u>\$ 317,962</u>	<u>\$ 2,392,624</u>

TUACAHN CENTER FOR THE ARTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 6 – ACCOUNT RECEIVABLE

Accounts receivable are made up of a related party receivable (Tuacahn High School) and promises to give (contributions). The contributions were made for the purposes of a new Art Building and are expected to be paid in full during 2014. No allowance for uncollectable receivables has been established as all are expected to be received and any accrued amount would be immaterial.

<u>Accounts Receivable</u>	
Tuacahn High School	\$ 23,964

NOTE 7 – DATE OF MANAGEMENT’S REVIEW

In preparing the financial statements, the Center’s management has evaluated events and transactions for potential recognition or disclosure through April 16, 2015 the date that the financial statements were issued.

NOTE 8 - PENSION PLANS

The Center sponsors a defined contribution retirement plan under Internal Revenue Code 403(b) that is administered by Mass Mutual (a private insurance company). The Center’s contribution rates in effect during 2014 were as follows: executives receive 9% of their salaries, directors receive 6% of their salaries and managers receive 3% of their salaries. The percentage referenced is salaries before bonuses. Employees are able to contribute but are not required. In 2014 The Center paid \$28,300 and employees paid \$30,791.

NOTE 9 – TEMPORARILY RESTRICTED NET ASSETS

Total temporarily restricted net assets include \$706,760 in contributions from the Center’s Capital Campaign which are required to be spent on the construction of an art building.

Tuacahn Center for the Arts
Statement Of Functional Expenses
For The Year Ended December 31, 2014

Program Services

	<u>Tuacahn Center for the Arts</u>	<u>Tuacahn High School</u>	<u>Administrative</u>	<u>Total Expenses</u>
Cost of Sales:				
Fund Raising	\$ 40,335	\$ -	\$ -	\$ 40,335
Productions	4,410,757	-	-	4,410,757
Concerts & Events	706,057	-	-	706,057
Gift Shop	340,582	-	-	340,582
Concessions	401,115	-	-	401,115
Credit Card Charges	263,441	-	-	263,441
Show Care	24,936	-	-	24,936
Total Cost of Sales	<u>6,187,223</u>	<u>-</u>	<u>-</u>	<u>6,187,223</u>
Other:				
Accounting	-	-	41,589	41,589
Advertising	404,726	-	-	404,726
Auto	25,117	-	6,279	31,396
Donations	81,308	-	-	81,308
Insurance	203,658	13,577	54,309	271,544
Interest	90,773	6,832	-	97,605
Legal Fees	-	-	12,000	12,000
Meals & Entertainment	38,350	983	9,833	49,166
Other	12,679	-	3,170	15,849
Outside Services	67,478	16,870	-	84,348
Payroll Taxes & Benefits	90,575	8,909	48,999	148,483
Postage and Shipping	4,530	-	1,133	5,663
Rent	9,904	1,101	-	11,005
Repairs & Maintenance	22,108	5,455	1,148	28,711
Salaries & Wages	609,515	59,952	329,738	999,205
Supplies	24,901	7,782	6,225	38,908
Technical Equipment	35,596	-	-	35,596
Telecommunications	29,421	5,464	7,145	42,030
Travel & Lodging	55,536	-	2,923	58,459
Utilities	117,946	62,468	45,103	225,517
Total Expense Before				
Depreciation & Loss	8,111,344	189,393	569,594	8,870,331
Loss on Disposal of Asset	2,949	-	-	2,949
Depreciation & Amortization	731,889	160,659	-	892,548
Total Expenses	<u>\$ 8,846,182</u>	<u>\$ 350,052</u>	<u>\$ 569,594</u>	<u>\$ 9,765,828</u>

The Accompanying Notes Are An Integral Part Of These Financial Statements

E. Proposed Qualifying Expenses

Request Amount: \$25,000 annually for 10 years (\$250,000)

See Project Budget and Narrative

F. Project Budget (Detailed Cost Estimates)

Tuacahn Center for the Arts: Investing in a Community Asset

Capital Needs (2015-2016)	
I. Arts Center	
Construction	\$3,800,000
Furnishings & Equipment	\$1,000,000
Total Arts Center Project	\$4,800,000
II. Amphitheatre & Productions	
	\$2,772,000
Stage Floor and River Bed (\$436,500)	
Seating and Cooling/Misting (\$333,000)	
Lighting and Truss System (\$531,000)	
Audio (\$545,000)	
Video (\$505,500)	
Stage Automation and Rehearsal Pad (\$421,000)	
III. Indoor Theatrical Spaces & Commons, Plaza, and Grounds	
	\$792,750
Hafen Theatre, Black Box, and Dance Studio (\$307,750)	
Restrooms, Shelters, Concrete Repair, Outdoor Audio, and Concessions (\$218,000)	
Waterways, Parking Enhancements, and Entrance/Signage (\$267,000)	
IV. Production Support Facilities & Administration/Box Office	
	\$1,135,250
Expanded Work Spaces and Storage for Costumes, Sets, and Props (\$453,000)	
Shop Equipment, Tools and Machinery, and HVAC, Roofs, and Flooring (\$260,000)	
Telecom, IT and Security, and Hardware/Software (\$192,250)	
Patron Shuttles/Transportation and Administration/Box Office Expansion (\$230,000)	
Total Capital Repair, Replacement, Enhancement Projects	\$4,700,000
Total Capital Investment Projects	\$9,500,000

F. Project Budget (cont.) (Narrative)

- I. TUACAHN ARTS CENTER: \$4,800,000
 - a. New 19,000 square foot, climate controlled facility for dance, orchestral, vocal and acting rehearsals, with a variety of patron services including retail and concessions.
 - b. Equipment and furnishings including lights, sound & video required for production preparations.
- II. AMPHITHEATER & PRODUCTIONS: \$2,772,000
 - a. Replace stage floor, seats, install fans and enhanced misting system, refurbish/repair/expand backstage facilities to accommodate current and future needs.
 - b. Upgrade video infrastructure and technology to state of the industry standards.
 - c. Replace current aging Sound System (e.g., speakers, amps, mics, desk,...) in order to meet expectations of patrons and industry partners (e.g., Disney, Really Useful Group).
 - d. Repair and upgrade failing lighting infrastructure and replace outdated theatrical lighting and equipment
 - e. Improve stage automation and aging special effects equipment and infrastructure.
- III. INDOOR THEATRICAL SPACES & COMMONS, PLAZA, AND GROUNDS: \$792,750
 - a. Improve patron experience by repairing/refreshing cracked concrete, leaky shelters, restroom facilities, and install fans & misting system.
 - b. Enhance/replace audio systems for pre-show stage and show monitoring.
 - c. Remodel Concessions area and replace aging equipment.
 - d. Replace outdated sound and lighting systems in performance spaces.
 - e. Replace 20-year-old seating in 320 seat indoor theater.
 - f. General improvements including repairs or replacement of roofing & flooring, HVAC modernization & energy efficiency measures.
 - g. Upgrade and expand kitchen facility for preshow & event meal preparation.
 - h. Entrance upgrades, water feature enhancements, resurfacing of parking lots and related improvements.
- IV. PRODUCTION SUPPORT FACILITIES & ADMINISTRATION/BOX OFFICE: \$1,135,250
 - a. Expand storage and production workspaces to accommodate growth of inventory and build needs associated with increased program offerings.
 - b. Maintenance & replacement of shop equipment, tools, and machinery used in building productions.
 - c. Address needs of aging buildings (e.g., flooring, roofs, A/C, fixtures...).
 - d. Telecom and IT and security infrastructure supporting expanded operations.
 - e. Patron shuttles to assist people with mobility concerns. Transportation.
 - f. Expansion of Administration/Box Office facilities to accommodate growth. Replace antiquated HVAC systems.

G. Accountability (Previous Three Years of Grants from Washington City)

	<u>Amount</u>	<u>Expenditures</u>
2015	N/A	N/A
2014	N/A	N/A
2013	N/A	N/A

Tuacahn Center for the Arts has not received contributions from Washington City.

H. Additional Information (include details regarding “how funds would be spent?”)

Background

The decision to address growth and expand facilities occurred in 2011 with private investments made by some Board members and donors. Tuacahn went public with the Arts Center Project in 2012 with local newspapers covering the announcement. In 2013, Tuacahn invested in personnel to help solicit additional public and private resources for the Arts Center and Capital Needs. In 2014, Tuacahn worked closely with Washington County and Municipalities to inform voters on the benefits of a county-wide Recreation, Arts, & Parks (RAP) Tax and the community voted in favor of imposing the tax in 2015.

In 2015, Tuacahn continued to raise public and private funding to support Capital Needs and has broken ground on a new Arts Center after almost five years of planning and securing investments. Doug Watts, of Watts Construction, is the contractor overseeing the project.

Proposal

Proposal Title: Investing in a Community Asset: Tuacahn Expansion and Improvements

Proposal Start Date: December 22, 2015

Proposal End Date: December 31, 2017

Total Proposal Budget (\$): \$9,500,000

Requested RAP Funds (\$): \$250,000 (\$25,000 annually for 10 years) Washington City

Proposal Description: Tuacahn Center for the Arts (“Tuacahn”) is seeking funding to expand and improve facilities and equipment that enhance customer experience, help maintain its competitive position in musical theatre, and maintain and strengthen its role as a key economic engine for Washington County including Washington City and its residents/businesses.

Tuacahn is seeking financial support and commitment through the use of a portion of RAP Funds from Washington City as part of a \$9,500,000 capital improvement plan. Tuacahn has entered into an *Interlocal Agreement* with annual installments for 20 years including Washington County (\$325,000), Ivins City (\$10,000), St George City (\$25,000), Hurricane City (\$10,000), Santa Clara City (\$5,000), and any other municipalities who wish to participate for the purpose of collectively supporting an Industrial Revenue Bond to fund the “Tuacahn Project” that will (a) finance all or a portion of the costs of: (i) acquiring, constructing, equipping and furnishing a new Arts Center Building, and (ii) expansion and renovation to the existing amphitheater, indoor theater and related facilities. The desire is to authorize a bond that does not exceed \$7,000,000.

Other municipalities, such as Washington City, may consider participating for a 10-year period or in some other fashion (e.g., lump sum) including annual support (e.g., capital improvements or operations).

The \$9,500,000 “Tuacahn Project” will be described in this application.

Tuacahn is asking the Washington City Mayor and Council to recommend approving an annual grant of \$25,000 each year for ten years during the period the RAP Tax is approved.

Proposal Timeline: December 22, 2015 to December 31, 2017.

In late December, construction began on the new 19,000 sq ft Arts Center expansion. There is a window of opportunity between seasons to complete many of the large-scale projects that are most intrusive to the facility’s operations and will have the greatest impact on the property and productions. Smaller scale projects will continue to take place throughout the course of the project. Two private foundations have made large commitments (\$500,000) in the form of “last dollar grants” and have requested that Tuacahn have all the necessary funding in place (pledge or cash) by November 1, 2015. As a result of the County’s and a variety of Municipalities commitments, these Foundations are fulfilling their pledges (December 2015 and January 2016).

Proposal Merit:

What is the artistic or cultural rationale (merit) for this project? How will project contribute to artistic/cultural development within Washington County including Washington City?

Tuacahn Center for the Arts is more than just an economic development success story, it’s a story about a unique outdoor arts venue that was created to bring people together in a place where they can escape from the cares of the world and be entertained and inspired for a few hours in the company of friends and loved ones.

The secret sauce is a combination of the location within the awe-inspiring Padre Canyon, the expansive outdoor theatre and facilities, the production quality of the performances, and the people who are committed to deliver on the promises that hundreds of thousands of patrons have come to expect from Tuacahn.

This year, Tuacahn celebrated its 20th year. For more than two decades, Tuacahn has been creating, producing, and presenting high quality professional entertainment including concerts and musical theatre that have become Nationally recognized, most recently in USA Today (*Scenic Utah Amphitheatre Launches New Disney Musical*; June 30, 2015).

Tuacahn was originally built to host one major production. The costume and scene shop, dressing rooms, rehearsal space, orchestra pit, lighting and sound equipment were also designed to accommodate a single show. Many of these capital items remain as “original equipment” (20 yrs old) and have exceeded their warranty and projected life expectancy.

For more than 15 years, Tuacahn has been producing and presenting between 2 to 4 musicals each season, with an additional 20 concerts and related programs in the Spring and Fall. In short – this translates to Tuacahn outgrowing its current facilities/space and requiring expansion and improvements to accommodate the community and the organization.

The current management team has experienced stability that has allowed revenues and performance quality to steadily increase. Given its modest beginnings, it would have been impossible for anyone to imagine what has been accomplished. The growth in revenues can be directly tied to the excellence of Tuacahn's performances and production quality that has provided for an unprecedented relationship with Disney Theatricals and similar creative groups. As a consequence, Tuacahn has become a major regional attraction and one of the two largest contributors to our local economy. Along with 65,000 local residents, almost 200,000 guests visit Tuacahn from outside of Washington County each year. These visitors are spending an estimated \$85 million each year in our County, including Washington City, as they stay in local hotels, eat in restaurants, and shop in retail stores for a number of days. Those associated with Tuacahn (e.g., employees, Board members, vendors) benefit in a variety of ways including employment, property and sales tax, and other measures.

Each year management and the Board of Directors at Tuacahn analyze the Operating Budget. There are always difficult decisions to make regarding allocation of funds. The policy of the Board and management has been to support the excellence of the Tuacahn performances with as few compromises as possible. As is the case with many non-profit performance theatres, focusing on performance quality has left the reserve fund for replacements and repairs underfunded. Tuacahn has spent more than \$5 million dollars on capital improvements over the last 10 years but has not been able to keep up with all the needed enhancements.

Given the growth of Tuacahn, these have clearly been the correct decisions, but the organization always knew as a non-profit enterprise that there would be a requirement for a capital program to fill the reserve fund. Simply put, this is why Tuacahn has reached out to local government bodies for assistance with the \$9.5 million in capital needs. Tuacahn is following the lead of several other performance facilities that have done the same thing with success in Northern Utah. It is common for theatre organizations to seek assistance from local governments.

Tuacahn is a non-profit arts organization that promotes theatre, dance, music, and other forms of art including cultural and historical programs. Due to our unique setting, Tuacahn is able to introduce many non-traditional theatre goers to the art of live theatre and performance, thereby increasing the number of patrons for other arts organizations in the region. Public participation is essential to sustaining Tuacahn as a Community Asset and Economic Driver. With long-term financial commitments from the County and Cities, Tuacahn will be able to monetize the public participation and remain relevant in the marketplace.

Who are the potential beneficiaries of this project? (specify numbers and ages, etc.)

Annually, more than 265,000 tickets are sold to a variety of events at Tuacahn with patrons attending from all over the United States and a variety of other countries. Patrons are of all ages (3yrs old and up). More than half (50%) of Tuacahn's patrons come from northern Utah and almost a third (30%) come from outside the State of Utah.

Washington County, including Washington City, tax payers and children will have a variety of direct benefits as a result of this project. First and foremost is the availability of professional theatre and art in our community. Tuacahn donates more than 8,000 tickets to the community each year (e.g., Washington City Golf and Recreation) and is the beneficiary of volunteers who give of their time and resources. Last year volunteers donated more than 16,000 hours to assist Tuacahn. Each year Tuacahn hosts a variety of elementary schools, local churches, and other groups that utilize the facilities for their purposes. The County government has an estimated net incremental benefit of almost \$1 million annually while the State of Utah benefits with almost \$2 million. Collectively the net benefit to the government is almost \$4 million including tens of thousands of dollars associated with Washington City.

Representatives of Tuacahn have helped create City Arts Master Plans. These Plans cited dozens of reasons the arts are beneficial to people from all economic, social and cultural backgrounds. Art changes the way we look at the world and allows us to express ourselves in a way that helps us mature and grow. Students who engage in art related activities get better grades, are better behaved, and are more engaged in their education.

How specifically will project contribute to overall Washington City and County growth and economic development?

Because this project is being funded through the generosity of private donors and public resources, no additional costs will be passed on to the public or patrons as they enjoy the entertainment at Tuacahn. Patrons will enjoy the upgrades, renovations, and additions but not experience an increase in ticket prices unless these increases are warranted by growth or demand. The City and County residents will benefit greatly as patrons from outside the area spend funds in Washington City, the County, and other municipalities. For every \$1 spent at Tuacahn there is a multiplier effect that has an impact on the local economy including hotel, restaurant and retail sales which generate a 6-7 times multiple in return to local government budgets through an influx of taxes generated as a result of spending. These economic multipliers help local government provide essential services and local betterments that enhance life for our residents. Without Tuacahn many of the services we enjoy as residences would either not be affordable without tax increases or we would not have the opportunity to enjoy them. Economic development means better and more cost effective delivery of services to the residents of Washington City and other municipalities in the County.

How will project enable a demonstrable incremental increase of new/expanded entity offerings as opposed to helping fund already existing offerings?

Tuacahn is exploring ways to increase its offerings by extending its season and including productions in the indoor spaces as well as enhancing current offerings in the Amphitheatre and plaza stages.

What project promotional materials will contain a reference to RAP Tax? How can elements of project be promoted as being "made possible through RAP Tax funding"?

More than 70% of Utah is participating in some form of recreation, arts, and parks taxes. Tuacahn looks forward to promoting and attributing improvements made through RAP funds by including signage around the facilities and announcements at the events to make sure visitors know the additions and improvements were made possible through funding by Washington City RAP. This can be accomplished through the inclusion of signage, acknowledgement in playbills and programs, and through a mention of the RAP at the top of the shows.

Each year, Tuacahn undergoes an independent financial audit that reviews the expenditures of funding and makes sure funds are properly accounted for and recorded using generally accepted accounting standards. Tuacahn plans to continue this legacy of fiscal responsibility and help properly steward public and private funding that helps support both operating and capital expenses.

About 70% of the funding for this project will come from sources other than the RAP Tax including private donations (40%) and other related programs (e.g., Transient Room Tax) (30%). More than \$2,000,000 (almost a quarter of the funding) has been raised to support the construction of the new Arts Center and address deferred capital needs. Tuacahn plans to make these enhancements through a combination of private and public funding, and will continue to seek external support through a variety of potential contributors.

December 31, 2015

From: Barry Blake, Leisure Service Director

Re: Rap Tax request

Washington City Council,

I would like to thank you, Washington City Council Members, for recently approving a loan, through the general fund, to Green Spring Golf Course. This loan came from the sewer fund. A payment of approximately \$125,000 dollars annually is made to the sewer department, from the general fund, for this loan.

I would like to request that \$30,000 to \$50,000 dollars from the RAP Tax fund be allocated to the general fund, to help pay the \$125,000 dollar annual payment to the sewer fund. This would lessen the burden on the general fund from this loan.

Green Spring Golf Course generates a significant amount of revenue for Washington City through property and sales tax. Property tax due to the many very nice homes built around the golf course and sales tax through revenue generated from golfers spending money at our gas stations, stores, restaurants and hotels in Washington City. The largest amount of funds from recreation that come into the City are due to the players that visit Green Spring Golf Course. It is due to this fact that I am requesting this funding from the RAP Tax.



Proposal

RETAIL RECRUITMENT SOLUTION

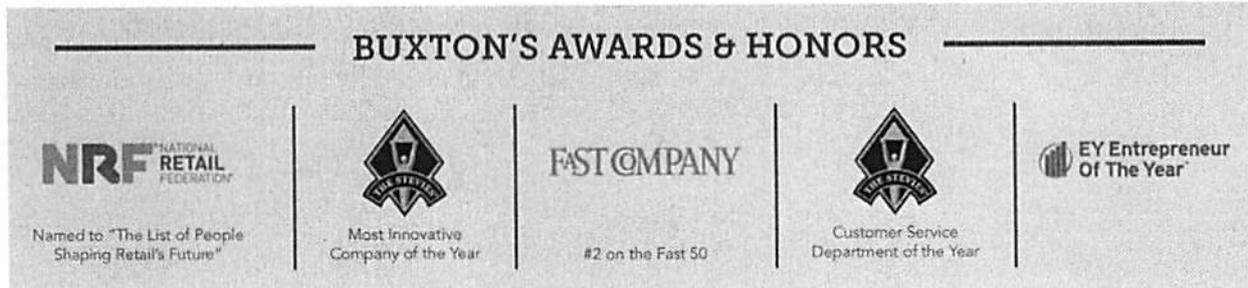


Prepared by: Robb Miller
Expiration: January 31, 2016

Buxton®

OUR VALUE PROPOSITION

Since our founding in 1994, Buxton® has been a leading force in retail site and development. We are recognized for creating solutions that provide results. Buxton began as a service to help retailers make informed site selection decisions by understanding their customers and precisely determining their markets. Buxton soon realized that the company's expertise in retail site and market analysis could also be leveraged to benefit communities desiring retail expansion.



More than simply providing data, Buxton supplies custom marketing materials and strategies targeting the unique site requirements of retailers, developers, and commercial real estate brokers. Buxton clients achieve outstanding success using our tools for retail identification, selection, and recruitment. Clients benefit from Buxton's unique understanding of site selection from the retailer's point of view.

- **Grow Your Community.** Create new, permanent jobs that will satisfy your citizens desire to shop at home; retain dollars currently spent outside of your community and maximize revenue growth to fund city services
- **Leverage Buxton's Retail Industry Expertise.** Establish credibility with decision makers by providing factual evidence to support your site and gain a competitive position by leveraging our experience:
 - 3000+ total clients from the retail, restaurant, healthcare, and public sector industries
 - 700+ public sector clients nationwide
 - 35+ million square feet of retail space
 - 500+ cumulative years of retail management and economic development experience
- **Access Your Buxton Solution with Ease.** Utilize your best-in-class retail recruitment solution via SCOUT™ with the touch of a button from any mobile device; gain answers to your retail recruitment and site analysis questions and have the big picture in the palm of your hand
- **Develop a Long-Term Partnership.** Receive personal guidance and ongoing insight into key industry topics

SCOPE OF SERVICES

Buxton is pleased to present this proposal to Washington, UT. The purpose of this proposal is to outline and review your community development objectives and how Buxton's solutions will enhance your ability to effectively meet those objectives.

Washington, UT's Objectives:

1. **Recruit new retailers and restaurants**
2. **Retain existing retailers and restaurants**
3. **Understand current retail and restaurant economic condition**

Retail Recruitment and Retention Solution: Your Community Profile

Our solution is a total marketing strategy that enables community leaders to understand the consumer profile of their residents and to identify specific retailers and restaurants who seek a market with household purchasing habits just like yours. This solution provides you with the ability to actively pursue identified retailers, making a compelling case for their expansion to Washington, UT by utilizing custom marketing packages that Buxton will create for you. You will have access to the same analytical information and insights retailers depend on today to make site selection decisions. This knowledge will provide you with instant credibility and the ability to differentiate your community.

Step 1 – Research Your Community

Buxton uses over 250 consumer and business databases that are updated regularly and compares your potential sites to the universe of all competing sites operating in the U.S. We define your current retail situation and those in any neighboring communities that impact your retail environment.

Step 2 – Define and Evaluate Your Trade Area

Customers shop by convenience, measuring distance based on time, not mileage. We will conduct a custom drive-time analysis to determine your trade area using our proprietary methodology and knowledge of individual retail clients' actual trade areas. Your drive-time trade area will be provided to you as a map that accurately depicts your consumer shopping patterns.

Step 3 – Profile Your Trade Area's Residential Customers

Your community profile will analyze every household in your drive-time trade area. Based on more than 7,500 categories of lifestyles, purchase behaviors, and media reading and viewing habits (psychographics), the households in your trade area are assessed to gain an understanding of the types of retailers that would be attracted to your site.

Step 4 – We Match Retailers and Restaurants to Market Potential

Buxton will match the consumer profile of your community's trade area against the customer profiles of 5,000+ retailers in our proprietary database. We will identify the similarity between the two profiles analyzed using Buxton's proprietary retail matching algorithm to determine if your site presents an attractive opportunity for each retailer. We then qualify the list of matched results to verify that a retailer is currently operating or expanding, that they operate in similar sites, and that your site affords adequate buffer from competition and cannibalization to be realistically considered.

Step 5 – We Create Marketing Packages

Buxton will assemble individualized marketing packages for up to twenty (20) targeted retailers. We will notify each retailer's key real estate decision maker by letter, informing them that they have been qualified by Buxton as a potential viable fit for your site and should expect to be contacted by a representative of the city.

Your marketing packages will be delivered to you in SCOUT and include a:

1. Map of the retail site and trade area
2. Map of the retailer's potential customers
3. Retailer match report that compares the site's trade area characteristics and consumer profile with the retailer's sites in similar trade areas

Solution Deliverables:

- SCOUT Touch access
- Drive time trade area maps
- Retail site assessment
- Retailer specific marketing packages (for up to twenty (20) retailers)
- Mobile tablet device at completion with pre-loaded findings

Multi Year Deliverables:

Years 2 and 3 of this agreement will include a Retail Recruitment model refresh, retail marketing packages, and full access to SCOUT and SCOUT Touch.

Access and Use Your Retail Recruitment Solution via SCOUT Touch

Buxton's Retail Recruitment solution will allow you to actively recruit retailers to your community and support existing businesses with the push of a button in SCOUT Touch, providing you with crucial information about your community, your trade areas, your residents, and much more. SCOUT is a web-based platform that is accessible on any Windows or iOS enabled device with an Internet connection. It is designed to give decision-makers in your community access to the data and solutions that will assist them in making better business decisions. The Retail Recruitment solution includes one (1) mobile tablet device that will be provided at completion and pre-loaded with all key findings. This mobile tablet device, possession of Washington, UT, enables four (4) SCOUT users with the ability to **run demographic and trade area profile reports**, and view maps and other data elements.

Identifying and quantifying key variables that impact your community, you will acquire insights from these findings that will provide you with a strong understanding of retail recruitment and business retention efforts. In Buxton's SCOUT Touch you will be able to:

- Identify retail matches
- Run variable reports
- View city limit maps
- Run healthcare reports
- Run demographic & consumer propensity reports
- See aerial view
- View physician intelligence
- Run comparable reports
- Run retail leakage/surplus reports



SUPPORT

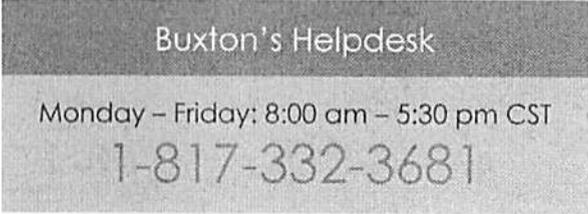
SCOUT Technical Requirements

SCOUT can be accessed at the following URL: www.buxtonco.com

SCOUT is a web-based platform accessible on any desktop, laptop, or mobile tablet device that has an Internet connection. An iPad Air 2 is suggested by Buxton to give you the best user experience. Android tablets are not supported by Buxton's Helpdesk. Minimum browser requirements are Internet Explorer 10, Safari 5, Chrome 21, or Firefox 14.

Buxton's Helpdesk

(1-817-332-3681) is available during normal office hours (8:00 AM-5:30 PM CST, excluding weekends and public holidays). Buxton's Helpdesk team will be available to support all educational, functional, and technical inquiries and will respond to all requests within twenty-four (24) hours of submission.

A grey rectangular graphic with white text. The top line reads "Buxton's Helpdesk". The second line reads "Monday - Friday: 8:00 am - 5:30 pm CST". The third line, in a larger font, reads "1-817-332-3681".

Buxton's Helpdesk
Monday - Friday: 8:00 am - 5:30 pm CST
1-817-332-3681

TERM, FEES, AND DELIVERY

Annual Fee	\$50,000
Agreement Term	Three (3) Years
Year 1 Fee (50% invoiced upon execution of this agreement; 50% invoiced upon targeted retailer identification)	\$50,000
Year 2 Fee (Invoiced 1 st anniversary of this agreement)	\$50,000
Year 3 Fee (Invoiced 2 nd anniversary of this agreement)	\$50,000

Delivery **Washington, UT will have access to retail match lists and marketing packages within sixty (60) business days of execution.**

Your SCOUT access will be enabled within ten (10) business days of the execution of this agreement. Washington, UT will have access to retail match lists and marketing packages within sixty (60) business days of execution. The initial term of this agreement is for three (3) years with services invoiced annually. However, at any time during this initial 3-year term, Washington, UT may cancel services for the following year by providing written notice to Buxton at least sixty (60) days in advance of a yearly renewal. If Washington, UT cancels services prior to the expiration of the initial term, Washington, UT will be invoiced 10% of the total remaining balance. All service fees associated with this agreement are due in net (10) days of the date of the invoice. Execution of this agreement will act as full consent that Buxton may include Washington, UT on its client list and in presentations and public relations efforts. Additionally, Buxton may issue a press release announcing Washington, UT as a client. When doing so, Buxton will not reveal information that is confidential and proprietary to Washington, UT.

Buxton		Washington, UT	
Signature	_____	Signature	_____
Printed Name	_____	Printed Name	_____
Title	_____	Title	_____
Date	_____	Date	_____

Please provide us with a primary point of contact for invoice receipt.

Name: _____

Phone: _____

Email: _____

Please provide us with a primary point of contact.

Name: _____

Phone: _____

Email: _____

Preferred Method of Receipt: Email **OR** U.S. Mail

ADDITIONAL RECOMMENDED SOLUTIONS



Visitor Insights - \$10,000

Buxton can develop unique profiles of your visitors by analyzing all Visa expenditures for a recent twelve (12) month period where the cardholder's originating address is located outside the designated regions. Expenditures are consolidated at the ZIP+4 level so as to de-identify individual cardholder information and respect card-holder privacy laws while still providing Buxton with a way to develop an accurate visitor profile of the visitors to Johnstown, PA. This solution will provide you with insights into more than 7,500 categories of lifestyles, purchase behaviors, and media reading and viewing habits of your visitors.

Next Page: Project Schedule

PROJECT TIMELINE



Treasurer's Department
FY 2017
Department Budget Objectives

Department Objectives

The responsibilities of the Washington City Treasurer's Department is to handle and account for all of the revenue coming into the city. This includes all of the receipts received by the Utilities Department, the golf course, the Community Center, Court system, Public Works, Police Department and all other cash handling venues in the city. I also track and and account for revenues from various taxes imposed and collected in the city or on behalf of the city. These include sales tax, highway tax, property tax, RAP tax and more. The Treasurer's office also maintains a council approved investment program for the discretionary monies of the city so that we can maximize our return on monies currently being held for future projects and operation. My office also maintains oversight of the city's bond debt and assures payment of the various bond payments. I also oversee the collection policy and process on the collection of accounts owed to the city. Beginning in April, 2014, the Treasurer's office also now supervises the utilities department.

Department Challenges

Some of the challenges my department will face in the upcoming years are:

- Maintaining a balance between the duties in the Treasurer's office and the supervisory duties of the utility department.
- Staying on top of the city's investment program to continue to maximize our return and investment in an attempt to assist in revenue production to help keep costs of other city services and taxes at the lowest rates possible.
- Collections. Reducing the dollar amounts and the numbers of accounts being sent to collections.
- Constantly seeking new sources of revenue for the city.

Budget Considerations

The Treasurer's Department has no additional budget considerations that we would like considered at this time.

UTILITIES DEPARTMENT BUDGET OBJECTIVES FISCAL YEAR 2017

Department Objectives

The utilities department has responsibility for the billing and collection of the city's utility accounts. This includes power, water, sewer, storm drain, garbage collection and curbside recycling. In conjunction with these responsibilities we also monitor utility account balances to determine disconnect notification and procedures and the reconnect of these accounts upon payment. The utility department carries the responsibility for receiving and receipting most of the payments coming into the city not only from city services offered on utility bills but also from court, business licenses and dog licenses. We also are the main line for all phone calls coming into the city on the main phone line.

Department Challenges

Within the next few years we see as challenges in our department:

- Dealing with the growing number of utility accounts in the city.
- Handling the ever increasing number of phone calls coming into the city offices.
- Turnover of staff and training of new staff.
- Changes in collection and disconnect procedures to minimize the number and the dollar amounts of past due accounts.
- Working with other city departments in coordinating disconnect dates and procedures.
- Communication with city customers in notifying them of changes, events and new programs.
- Online application attached to our website to make it easier for customers to obtain service.

Budget Considerations

We would like the mayor and the council to consider the following budgetary items for the utility department.

- Replacement of office equipment, ie four office chairs and one printer for the front counter area.
- Additional wireless headsets at all workstations for greater efficiency in answering phones and helping customers.

**HUMAN RESOURCES DEPARTMENT
BUDGET OBJECTIVES
FISCAL YEAR 2017**

Department Objectives

The Human Resources department serves as a balance between employee and management. We strive to meet the needs of the employees and their managers by strengthening employee morale and management engagement. We want to be the employer of choice company employees are happy to be a part of and the company for which others want to work.

Department Challenges

The Human Resources department seeks out ways in which the business could be improved upon or the working conditions could be enhanced. It is important to provide the highest level of professionalism and commitment to our organization. I anticipate that within the next few years, our department challenges will be as follows:

- Meeting the staffing needs within each department of the City.
- Strengthening employer-employee relationships.
- Enhancing employee-supervisor trainings.
- Assure that we are offering competitive/comparable compensation and benefit packages.
- Implementation of an ongoing, consistent pay plan.
- Strengthen the Employee Development Plan.
- Invest in the greatest asset to our City (our employees).

Budget Considerations

I would like the Mayor and Council to consider the following budgetary suggestions, as it pertains to this department:

Fund a shared full time position to support a variety of complex administrative functions for the City Management office, Human Resource office, and Administrative Services office. This position will act as a liaison between these departments. The position responsibilities for the Human Resource department would include working on special projects, performs and maintains complex clerical and routine technical duties in support of the human resources functions related to the day-to-day operational functions of the human resource office.

**RECORDER'S OFFICE
BUDGET OBJECTIVES
FISCAL YEAR 2017**

Department Objectives

The Recorder's Office mission and objectives is to ensure the preservation and integrity of all official City records, maintain an effective records management system, and to provide professional, courteous, responsive customer service to all citizens in a timely manner. Our department oversee the business licensing, cemetery records, elections, record retention, City Code, Ordinances/Resolutions, Contracts and Agreements, Public Notices, Annexations, Risk Management, Insurance Claims/Policies, City Council agendas and minutes, and assist Staff and Citizens (GRAMA) in research of records.

Department Challenges

In order to provide the information needed for the objectives of the department the following challenges will need to be overcome:

- Transferring documents into electronic format,
- Continuing education cost,
- Keeping up with technology ie. programs and equipment,

Budget Considerations

I would like the Mayor and Council to consider the following budgetary suggestions, as it pertains to this department:

- New chairs in the Council Chambers approximately \$12,000.

COMMUNITY DEVELOPMENT DEPARTMENT BUDGET PRESENTATION
FISCAL YEAR 2017

Department Objectives: The Community Development Department will strive to continue our dedicated service to the citizens of Washington City, with a goal to process permits and applications in a customer friendly and timely manner. The department, once again, looks forward to the coming year with great anticipation and a strong sense of continued growth throughout the city. The Community Development Department is always looking for opportunities to improve our performance and ability to serve the citizens of Washington City.

Department Challenges: In referencing the statement above, concerning the growth, we need to be aware that with that growth comes associated challenges such as:

- Heavier work loads of processing, reviewing and implementing applications and/or permits.
- Limited number of staff to process those workloads.
- Keeping the necessary time volume involved, down to the lowest possible amount.
- Maintaining a high level of service to our customers/clients during high volume application peaks.

Budget Considerations: In considering the budget for the fiscal year 2017, our department would like to ask the Mayor and City Council for the following:

- Expanding the personnel and technology associated with the Community Development Department, by adding an additional full-time employee (inspector).
 - o 2017 budget
 - o Ongoing years-based upon permit numbers.

**GREEN SPRING GOLF COURSE
MAINTENANCE DEPT. BUDGET OBJECTIVES
FISCAL YEAR 2017**

Department Objectives

The maintenance department is responsible for the agronomic and playing conditions for Green Spring Golf Course. Our primary responsibility is to maintain the many different varieties of turf to the highest possible standard, within our budget, that the season will allow. In addition to turf care, we are also responsible for the maintenance of desert landscapes, cart paths, on course bathroom facilities, and the maintenance building and yard, as well as the equipment necessary to maintain and manicure the golf course.

Department Challenges

These are some of the challenges we face:

- Our greatest challenge every year is dealing with the difficult conditions associated with summer months in the desert southwest. During the long summer months, we deal with conditions that are not conducive to growing cool season grasses. The high temperatures of June and July, and the high humidity of the end of July and August make it extremely difficult to not just maintain the golf course, but in some years, to just keep it alive.
- Staff challenges. With the restriction of hours for part time/seasonal employees, we have found it difficult to work on improvement project. Most of the hours are used on the daily maintenance needs of the golf course.
- Water quality and capacity.
- Improving the heating and air for the maintenance building as well as maintaining the asphalt road to the maintenance building.

Budget Considerations

These are some budget suggestions for the next few years:

- Renovate our fairways to warm season grasses at a cost of approx. \$4000.00/acre. We would like to renovate the back nine first which is 6.2 acres bringing the cost to \$24,800.00.
- Funding for an additional full time employee.
- Funding for an extra pump and motor on hand in case of summer emergency (\$6,000.00). Also, consider the possibility of a new water source or purchasing all the water rights for green spring in order to help with summer capacity issues.
- Replace the central air unit and the shop heaters (\$7,000.00)
- Slurry seal shop road (\$2000.00)

**LEISURE SERVICES DEPARTMENT
WASHINGTON CITY COMMUNITY CENTER
BUDGET OBJECTIVES
FISCAL YEAR 2017**

Department Objectives

The Washington City Community Center is a multi-purpose, state-of-the-art, public facility for community activities including recreational, health, fitness, educational and cultural programs and events.

Department Challenges

- Meet the growth/expansion needs in various sports with the completion of the new soccer/multi-use complex
- Identify and develop additional revenue resources
- Find ways to increase Silver Sneakers participation
- We have no depreciation account for large ticket items for repair/replacement. Coming into Year 9 of the facility: Keeping up the demand with maintenance and replacement parts that are out of warranty or are reaching life expectancy.
- Retaining and managing our current part-time staff due to the new Affordable Care Act labor restrictions.
- We have outgrown our Capital Management Web Based Software System (EZ Facility). Customer service is being jeopardized and pricing has increased due to growth.

Budget Considerations

- 1- The IT Dept recommends replacing at least 13 out of 19 old computers that are 7 years or older with new computers and updated software=\$17,500
- 2-Floor Cleaning Machine=\$13,500
- 3-Safety Straps for Basketball Standards=\$4,800 (This is 1/3 of the cost. We will need to budget for 1 gym each year for the next 2 years).
- 4-Motors/Boilers Replacement Plan: Budget yearly for at least= \$10,000-\$20,000
- 5-Capital Management Software, Point of Sale & Reservation System Conversion=\$21,000
- 6-Sullivan Soccer Park Concessions Labor & Food Costs

**PARKS DEPARTMENT
BUDGET OBJECTIVES
FISCAL YEAR 2016-2017**

DEPARTMENT OBJECTIVES

The objectives of the Parks Dept. is to maintain our facilities in a clean, safe and visually beautiful way. The Parks Dept. is responsible for 6 holiday celebrations (Cotton Days, 4th of July, 24th of July, Veterans Day, Memorial Day and Christmas in Dixie). Also maintaining the parks, trails, cemetery, sports fields, streetscapes, open spaces, hardscapes (bathrooms, snack bar and splash pads) plant materials (grass, trees, and shrubs) and parking lots.

DEPARTMENT CHALLENGES

1. Bringing the new soccer fields into full operation.
2. Upgrade the antiquated restrooms and pavilion at Veterans Park that can be paid for by the RAP tax
3. Covering city events; holidays, sports, and weekends with part time and full time help.
4. Upgrades to all splash pads.

BUDGET CONSIDERATION

1. Full time employee for maintenance of the new soccer fields
2016 budget -(\$45,000)
2. Splash Pads upgrades \$10,000.00
3. Upgrades for Veterans Park; pavilion and restroom \$250,000.00
4. Natural gas for furnace for shop. (we have no heat). \$7,000
5. Sprayer and backup reel mower \$20,000.00
6. Wash pad \$5,000

CLEANING PROPOSAL CITY BUILDINGS
MARK HENNING
MAINTENANCE MANAGER
FISCAL YEAR 2016-2017

DEPARTMENT OBJECTIVE:

One Full Time and one part time will be responsible for the cleaning of all City buildings. Main City building, Old Police Station, New Police Station, Public Works, Power Department and Community Center. I will train and supervise for maximum efficiency between all buildings. All vendor supplies will be ordered by me.

I feel now is the time for us to bring the cleaning in house with the new Police station coming on line. By doing this we will be saving cost now and in years to come implementing correct cleaning policies and procedures and maintaining cost savings. Over the years i set forth a very strong cleaning policies and procedures at the Community center. I feel all of our City buildings should reflect the same effort.

BUDGET CONSIDERATION:

Replacing the current janitorial vendor with City personnel.

Cost breakdown per building.

Employee Yearly Pay Currently WCCC.	\$17,044.36
City Building Yearly Cleaning Budget (Current vendor)	\$15,693.60
Public Works Yearly Cleaning Budget (Current vendor)	\$8,297.76
IT Yearly Cleaning Budget (Current vendor)	\$6,758.28
Power Company Yearly Budget (New 2016)	\$3,600.00
Police Dept Yearly Budget (New proposal Estimate 2016)	\$19,200.00
Total available money 2016	\$70,594.00

This available money will bring in one full time and one part time employee.

Full Time Janitorial Supervisor Cost **\$58,000.** = 40 hours.

Part time Janitorial Attendant Cost **\$12,000.** = \$9:00 per hour = 25 hours per week.

Employee cost \$70,000 per year Total Hours 65

Golf Course Pro Shop Budget Objectives for Fiscal Year 2016-2017

Department Objectives

The Green Spring Golf Course Pro Shop is dedicated to serving our community by providing high quality golfing experience to all player of all ages and abilities and is committed to enhance the enjoyment of the game of golf. To creating an atmosphere of value and quality that will bring Golfers from all over the country to play and enjoy Green Spring Golf Course, and the City of Washington Utah. Quality service and value will provide customers with a great leisure and recreational activity that will last for years.

Department Challenges

Increasing rounds played and revenue streams will be one of the biggest challenges for the year of 2016-2017. The Price of golf is going down with all the competition in Southern Utah, so to compete we have to increase rounds played. The more golfers who play Green Spring Golf Course, the more food and beverage sales will go up, the more merchandise will be sold in the Pro Shop, and Golf Cart revenue should go up. Driving Range sales will benefit as will the overall revenue of the Green Spring Golf Course.

Revenue is the other biggest challenge we will face in 2016-2017. Green Spring Golf Courses Plan of Action has to be based on the Golf Courses operation capabilities and not on false hope revenue goals. Green Spring has to rely on their operations, pricing, rates, and Professional Staff to increase revenue for 2016-2017.

Budget Consideration

We have to remember the more food and beverage we sale the more food and beverage we will have to buy, the same with Pro Shop merchandise we will have to buy. But that is the retail business the more you sale the more you have to buy and that is a good thing, that means your making profit. We will have to make due with are current budget for part-time and full-time employees. We are trying to keep expenses down.

**FINANCE DEPARTMENT
BUDGET OBJECTIVES
FISCAL YEAR 2017**

Department Objectives

The Finance department is responsible for providing services related to the planning, organizing, coordinating and expediting of the financial operations of the city including budgeting, auditing, accounting, purchasing, fixed assets, accounts payable, payroll, and fraud risk management. We provide financial oversight to nine governmental funds and five proprietary funds. The Finance department is also responsible for the City's Enterprise Resource Planning System (ERP) Springbrook Software which includes implementation, management and training.

Department Challenges

Within the next few years, we see our challenges with this department as follows:

- Meet the growing needs of financial analysis within the City.
- Identify and develop additional revenue resources.
- Prepare a high quality budget document that reflects the criteria structure of the Government Finance Officers Association budget awards program to provide citizens and other stakeholders with clear, understandable, and complete budget documents.
- Keep up to date with reporting requirements related to the Affordable Care Act.

Budget Considerations

I would like the Mayor and Council to consider the following budgetary suggestions, as it pertains to this department:

- Continue funding for OpenGov financial dashboard to empower the Council to share financial information openly with citizens and staff, spot budget trends and make data-driven decisions, and server our community with increased transparency and trust.
- Enhanced funding for staff trainings related to growing federal reporting requirements, auditing and compliance updates, and accounting standard changes .

CITY MANAGER BUDGET PRESENTATION FISCAL YEAR 2017

Department Objectives

The objectives of the City Manager's department is to coordinate the efforts of the municipal departments in carrying out Council policy and accomplishing the Strategic Plan of the City. The department oversees the effective use of city resources, i.e. personnel, financial, informational, in creating a safe, competitive, attractive community that betters the lives of our citizens.

Department Challenges

Within the next few years, we see the challenges with this department including the following:

- Creating an aggressive retail recruitment program.
- Development of a strong public relations program within the community.
- Updating the City's General Plan and other land use ordinances.
- Strengthening the organizational and compensation structure.

Budget Considerations

I would like the Mayor and Council to consider the following budgetary suggestions, as it pertains to this department:

- Consideration of funding a partnership with Buxton Corporation for assistance in recruitment of retail.
 - **2017 Budget-\$60,000.**
- Consideration to provide some additional funding for equipment needs for Media coordinator position.
 - **2017 Budget-\$10,000** Miscellaneous
- Consideration of funding for outside assistance on General Plan revisions and rewrite.
 - **2017 Budget-\$30,000**
- Consideration of funding of payroll structure. (See Human Resource Presentation).

Police Department
Department Budget Objectives
Fiscal Year 2016-2017

Department Objective

To provide Quality and Professional public safety service to the citizens of Washington, in an effort to enhance and maintain a Quality of Life that we are all proud of. Our department is specifically responsible for the Law Enforcement, Animal Control and Code Enforcement Public Safety Services in our community. Thanks to each of you for the support in getting our new building completed. This is a great asset to the City and our Police Department.

Department Challenges

Our immediate challenges and for the foreseeable future are as follows: This one area in of major importance to our department, we are only asking for support in this area.

Vehicles We are in extreme need of replacing two vehicles now that are exceeding 140K miles. The maintenance costs, condition of these vehicles and reliability in this safety sensitive position are not acceptable. We have several others that are over 100K miles that will need to be replaced in the next year.

Budget Considerations

I would appreciate the Mayor and Council's consideration with the only extremely critical Budgetary need in our department at this time.

We are not asking for any other big ticket items this year as this is a critical need of the safety and reliability of our staff and citizens.

- **Vehicles**
 - Approximately 38K per vehicle including vehicle equipment
 - Request consideration for a fixed amount in Budget each year for replacement of 2-3 vehicles (74K-110K), this would allow for continual roll out every two years, to avoid the large impact all at once with several cars needing replaced and not knowing for sure when that would occur.

This year we are requesting to purchase 2 vehicles, 1 Police SUV and 1 Sedan on a two year roll out program. The Fleet Department director Mike Shaw and I have met, presented this to the City Manager and feel this will be the best program moving forward as we will be able to recover the majority of the vehicle cost at the two year mark, and re-use the police equipment for an additional vehicle cycle.

Thank you for your consideration, please let me know if you have any questions.

POWER DEPARTMENT BUDGET PRESENTATION FISCAL YEAR 2017

Department Objectives

The objectives of the Power Director is to insure affordable power supplies for base load and peak power needs as well as accomplishing the Strategic Plan of the department. This department oversees the operations of, and provides for electric energy delivery, system reliability, revenue stability as well as direct customer service on a variety of levels.

Department Challenges

Within the next few years, challenges with this department including the following:

- Strengthening the financial stability and credit rating of the department.
- Providing long term, affordable energy resources for base load and peak power needs.
- Providing infrastructure for future residential and commercial growth.
- Providing funding for maintenance and or replacement of aging infrastructure.
- Managing an effective workforce through changing times, loss of highly qualified personnel due to attrition, and increased departmental responsibilities.
- Maintaining acceptable rates for revenue flows to cover current and future expenses due to changes in energy resource costs and debt service needs for Capital Projects infrastructure.

Budget Considerations

I would like the Mayor and Council to consider the following budgetary suggestions, as it pertains to this department:

- Consider expansion of personnel needs to manage future growth, distribution, transmission and substation needs and operations of the new generation facility. This would include one new full time position for this budget with a salary and benefit range of Journey level Lineman.
- Consider departmental needs for equipment replacement for aging fleet to reduce maintenance costs and improve employee safety. Lease purchase option for bucket truck replacement budgeted over 5 years.
- Consider the results of the latest Capital Facilities Plan and provide for financing as outlined projects become a priority for growth or system reliability over the next five years. the 2013 CFP shows the need for 2 projects totaling \$4,500,000 in system upgrades for this budget period. I recommend looking at the entire 5 year plan which contains \$9,695,000 in Capital Improvements and dissecting what can be done as Capital Projects thru the budgeting process, and what will require long term financing. This would be done in a workshop format with Council.
- Continue to provide funding for training of personnel and appropriate wage adjustments to maintain the highest level of qualified employees.

**WATER
DEPARTMENT BUDGET PRESENTATION
FISCAL YEAR 2017**

Department Objectives

The objective of the Water department is to provide clean safe drinking water to the residents of Washington City. The department oversees water treatment, well productions, storage, and distribution of water throughout the City for use by homes, commercial, industrial, and fire protection.

Department Challenges

Challenges for this department including the following:

- Delivery of Regional water to the areas north of the Virgin River.
- Implementing a PRV maintenance program.
- Implementing a valve cycling program.
- Continuing to monitor of any aging infrastructure and to minimize interruptions of service.
- Managing an effective workforce through changing times and seasonal demands.

Budget Considerations

I would like the Mayor and Council to consider the following budgetary suggestions, as it pertains to this department:

- Fund requested Capital Projects for the year
- Valve Maintenance Exercising Equipment. \$60,000
- Backhoe Lease \$7,500
- Purchase of 1 Dump Truck F-750 \$75,00
- Meter Test Bench w/ Calibration Tanks \$20,000

STREETS
DEPARTMENT BUDGET PRESENTATION
FISCAL YEAR 2017

Department Objectives

The objectives of the Street department is to move people and goods safely and efficiently while minimizing negative impacts. Maintain a pedestrian friendly setting. Anticipate future growth. Maintain roadway to an acceptable standard and preserve the lifespan as long as possible.

Department Challenges

Within the next few years, we see are challenges with this department including the following:

- Funding maintenance programs
- Develop a bicycle and pedestrian plan.
- Reconstructing roads to meet present and future demands.
- Constructing new roads to meet future demand.
- Funding a signal installation program.
- Update CFP due to new development in concentrated areas.
- Maintenance of traffic signals

Budget Considerations

I would like the Mayor and Council to consider the following budgetary suggestions, as it pertains to this department:

- Increase road maintenance fund
- Approve Capital Projects for the year
- Replace Street Sweeper
- 1 New Bucket Truck for the Signal Maintenance

**STORM WATER
DEPARTMENT BUDGET PRESENTATION
FISCAL YEAR 2017**

Department Objectives

The objectives of the Storm Water department is to efficiently discharge rain events to the receiving waters with minimal ill-effect on property. Meet the requirements imposed by State and EPA clean-water regulations. Anticipate future growth. Maintain facilities to an acceptable standard. Maintain the existing storm drainage system.

Department Challenges

Within the next few years, we see are challenges with this department including the following:

- Funding improvement projects to handle problem areas within the existing developed portions of the City.
- Funding projects to facilitate the growth occurring currently and into the future.
- Understand and begin implementation of the new MS4 permit requirements.
- Balancing MS4 discharge permit requirements with the need to serve the public and allow reasonable growth.
- Accomplishing needs with a minimal staff and equipment to meet necessities.

Budget Considerations

I would like the Mayor and Council to consider the following budgetary suggestions, as it pertains to this department:

- Fund requested Capital Projects for the year
- One new mid level employee for administrative and permit compliance

**SEWER
DEPARTMENT BUDGET PRESENTATION
FISCAL YEAR 2017**

Department Objectives

The objectives of the Sewer department are to Maintain system to meet industry standards and standards set by the City insurance company, collect and transport sewage effluent to the regional collection facilities for treatment by the regional treatment plant. Meet the requirements imposed by State wastewater regulations. Anticipate future growth. Maintain facilities to an acceptable standard.

Department Challenges

Within the next few years, we see are challenges with this department including developing :

- Continue increasing maintenance of aging lift stations.
- Consideration of new technologies to reduce odor complaints.
- Funding projects to facilitate the growth occurring currently and into the future.
- Update the CFP due to the new development in concentrated areas.
- Implement a new user rate for commercial users.

Budget Considerations

I would like the Mayor and Council to consider the following budgetary suggestions, as it pertains to this department:

- Fund requested Capital Projects for the year
- Replacement Camera Trailer

**IRRIGATION
DEPARTMENT BUDGET PRESENTATION
FISCAL YEAR 2017**

Department Objectives

The objective of the Irrigation department is to supply Irrigation water to customers. Maintain Irrigation spring, ditches and pipes to provide a reliable and constant system.

Department Challenges

Within the next few years, we see challenges with this department including the following:

- Maintaining the old ditches and piping system.
- Address potential hazards and problem areas where the city could be liable for damages or injuries.
- Because of the many changes over the years in users, not all watering locations fall in line with the flows and the Irrigation Schedules should be regenerated to reflect current flow locations.

Budget Considerations

I would like the Mayor and Council to consider the following budgetary suggestions, as it pertains to this department:

- Consider Irrigation rate increase to cover actual expenses and improvement cost
- Piping problem areas.
- Replacing undersized pipes and ditches.
- Budget more man hours to allow for more required maintenance.

FLEET
DEPARTMENT BUDGET PRESENTATION
FISCAL YEAR 2017

Department Objectives

The objectives of the Fleet department is to coordinate with all departments the repair and replacement of the City fleet of vehicles and equipment. To provide safe and efficient vehicles. Operate and maintain the City's in house refueling station and CNG refueling station.

Department Challenges

Within the next few years, we see are challenges with this department including developing :

- Centralized fleet ownership and management.
- Fleet Policies and procedures.
- Fleet replacement policy.
- Cost Control, Cost allocation and Chargeback rates.
- Fleet management information System.
- Fuel management.

Budget Considerations

I would like the Mayor and Council to consider the following budgetary suggestions, as it pertains to this department:

- Tire Balancer.

**Information Services Department
Budget Objectives
Fiscal Year 2017**

Objectives

The Information Services Department is the key provider of technology, GIS, and media tools to City officials and staff. Our focus has been to provide a safe and stable technology infrastructure and environment for City business to be conducted on. In addition we strive to improve the business processes of every department through creative, simple, and smart solutions.

Challenges

Information Services has, up to this point, been building out infrastructure and have reached a point where a high level of maintenance and support is necessary to keep things going 24/7. Additionally we, with other city staff, have also come up with many very beneficial ideas for process improvement through software development and app creation. This expands department function from installation and support to installation, development, implementation, training, and support. Some challenges from this include:

- Sufficient labor and financial resources to both support current systems/processes as well as develop, purchase, and/or install new ones.
- To remove complexity of citizen facing processes using software applications and provide consistent improvement and support to these solutions.
- Provide solutions that increase automation, information delivery, and information collection that span all devices, departments, and locations.

Conclusion

I would like to suggest the funding of $\frac{1}{3}$ FTE plus a slight operational budget increase to convert the current $\frac{2}{3}$ FTE part time positions into a single full time position to be filled with an educated IT professional with software development and app creation experience. I believe this is the only way to procure the necessary talent to further organizational goals, especially in providing the citizens with a better interactive experience with the City. In addition, the software solutions created with this position would slow the growth of staffing resources needed in other areas of the City netting an overall cost savings.

This position would shore up the entirety of the Information Services Department including Information Technology, Geographic Information Systems, Media Production (through web programming), and Application Development.

FIRE DEPARTMENT BUDGET PRESENTATION

Presented January 26, 2016

DEPARTMENT OBJECTIVES

Provide a quick, professional response to all emergency calls. Provide a high level of training to our members. Always have our equipment and personnel in a state of readiness. Provide education to our community in fire prevention and safety. Be proud of our city and represent it well.

DEPARTMENT CHALLENGES

Maintaining the volunteer staffing at a level to fill coverage of 2 stations every night. Station 62 is closed 6-8 days a month.

BUDGET CONSIDERATIONS

Please consider the following budgetary suggestions as they pertain to the Fire Department.

1. Thank you for the actions taken to cover the positions from the safer grant as it expired and the increase in pay for the part time employee's. Our part time employee's have gone from \$10 to \$14 per hour in the past 2 years.

2. **CAPITAL EXPENSES**
 - A. Consideration of combined fire station with Hurricane valley fire district. Options from ½ ownership \$650,000 to leasing a bay or doing nothing. Leaving a Engine at the power building.
 - B. Fire Engine. Our front line Engine is a 2005 LaFrance. Yearly maintenance on this vehicle is the second highest of all vehicles in the city fleet. Purchase price \$600,000. Lease \$65-80,000 per year.