

FINANCE COMMITTEE

12-0161R

RESOLUTION APPROVING THE RE-DIRECTION OF \$225,000 FROM THE RESTRICTED REPAIR AND REPLACEMENT ACCOUNT TO THE GENERAL OPERATING EXPENSE ACCOUNT AS REQUESTED BY SPIRIT MOUNTAIN RECREATION AREA AUTHORITY.

CITY PROPOSAL:

WHEREAS, the budget previously approved for the fiscal year May 1, 2011 to April 30, 2012 included the approval of the 2012 repair and replacement capital plan as required by the 2003 Use and Management Agreement.

WHEREAS, due to weather conditions operating revenues for the current fiscal year are under budget because of the shortened winter ski season.

WHEREAS, due to planned improvements including a new ski lift and a new chalet on Grand Avenue, capital needs have changed and the 2012 repair and replacement account is needed for operations.

RESOLVED, that the \$225,000 in the restricted Repair and Replacement Account shall be made available for general operating expenses as needed by the Authority. Construction of the new chalet on Grand Avenue and acquisition of a new ski lift together with other improvements including the addition of a zip line, miniature golf course and tubing park shall fulfill the obligation

of the Authority to expend monies for repairs and replacements to the recreation facilities.

Approved:



Department Director

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

FINANCE AH:rb 03/28/2012

STATEMENT OF PURPOSE: The budget previously approved by the city council for the fiscal year May 1, 2011 to April 30, 2012 included the approval of a repair and replacement budget as required by the 2003 refinancing agreement between the City and the Authority. Weather conditions this winter have caused a shortfall in operating revenues. In addition, the Authority has made significant improvements to its facilities including the addition of a zip line, miniature golf course and a tubing park; and planned improvements for this summer include the installation of a new ski lift and the construction of a new chalet located on Grand Avenue, all of which constitute repair and replacement. Due to the current operating revenue shortfall and capital improvements already made or underway, the \$225,000 in the restricted repair and replacement account is being redirected for general operating expenses as needed by the Authority.