



Snyderville Basin Special Recreation District
Special Board Meeting Minutes
Wednesday, June 18, 2008
Schefter Conference Room - Trailside Park
5715 Trailside Drive
Park City, Utah

Board Members in Attendance: Tim Douglas, Tracey Douthett, Scott McClelland, Jim Moran, Sharon Odell, Ron Perry, Scott Siemon.

Absent: None

Staff/Employees Present: Ken Mickelsen, Bruce Dickens, Shelley Phillips-Nielson

Attending Guests: Greg Ogden, CPA; Jeff Graham and Eric Langvardt, Silver Creek Village

Board Chair Sharon Odell convened the meeting of June 18, 2008 at 6:08 pm.

2007 INDEPENDENT AUDIT

Mickelsen welcomed CPA Greg Ogden who is in attendance to report results of the 2007 Independent Audit. Ogden reminded the Board that audit reporting standards have become more stringent nation-wide in the last year and a half so that there are more findings and comments than in year's past. He reviewed several findings, as follows:

In the area of state compliance, the District exceeded its parks budget by \$361 for 2007. Mickelsen said that in order to avoid this type of finding in the future, the District Board will need to specify that the District's Budget is adopted by total appropriation, rather than by department.

In the area of internal controls, the District's purchasing policy requires two quotes for purchases up to \$5,000 and three written bids for purchases up to \$20,000. Nine of sixty District expenditures exceeded \$5,000 and should have had three written bids to support them. Mickelsen informed the Board that the Business Department will not approve payment of any kind until the proper documentation is submitted. He said staff will likely approach the Board to discuss an increase to the purchasing limit requiring bids.

Other findings were related to adjusting entries that in former years would have been made by the auditor without comment. Under the new standards this is a management step that should be done before the audit begins. For example, Ogden pointed out that in a business or enterprise fund, water shares would be capitalized. In governmental accounting it is required to be an operating expense item.

In the past the District has relied upon Ogden to draft the District's financial statements. This has been the case with all other government entities he audits. There is a lot of expertise involved and most entities do not have staff with the expertise to complete this task. It is recommended that District management continue to oversee

the preparation of financial statements and footnotes and ensure that they make all ultimate management decisions relating to their preparation. This will continue to be an annual comment until such time the District has qualified staff to prepare the financials. Mickelsen said at the State Auditor's Training it was acknowledged that this would be problematic for many entities.

The final finding emphasizes that all time, either comp, sick or vacation, should be recorded on District calendars and documented on time sheets so that it is accounted for properly. The department managers will be held accountable and the business office will monitor to ensure that all time sheets are properly recorded.

Ogden said the management's discussion and analysis includes financial highlights and summaries of the District's financial position. Ogden said the report on economic factors and next year's budget and rates was one of the most informative he's seen in any audit.

The basic financial statements beginning on page 15, are presented on a true accrual basis of accounting rather than a modified accrual. The biggest difference between the forms of accrual accounting is that on these schedules assets are capitalized, as opposed to showing an expense in the year of purchase. Additionally, long term debt is shown in the liability section, whereas in modified accrual accounting capital assets are immediately expensed and proceeds from debt from issuing bonds would be shown as revenue rather than a liability. The statement of activities on page 16 shows one column of expenses and three columns of revenues. The intent of this summary is to understand, by department, the expense of running that department and what revenues are generated. Impact fees are reported in the parks department, so it appears to pay for itself. Other departments were not able to generate enough revenue to be in the positive. The total change in net assets in 2007 was an increase of \$1,661,640.

The statement of revenues and expenditures by individual fund type is reported on page 19. They include the general fund, debt service, impact fees and capital projects funds. This is the equivalent of an income statement for fund accounting. Reconciliations are provided on the following pages. In the budgetary comparison schedule on page 21, Ogden pointed out the overspending of \$361 in the parks department, which is balanced out in the bottom line for all departments being under spent by \$70,585. If he had been aware that the intent had been to adopt the budget by total appropriation, rather than by department, this management comment would have been eliminated.

Following the financials are the notes to the financial statements. Ogden directed the Board to information on page 34 that recaps impact fees by year of collection. Impact fees are required to be used within six years of the time they are received. The balance in Park impact fees have been collected largely in the last three years, with a small portion collected four years ago in 2004.

In summary, Ogden said the management letter findings are not significant and encouraged the group to be mindful of competitive bidding requirements and proper reporting on time sheets. He said the District is in really great financial shape, and opened it up for questions. Scott Siemon questioned one possible typo on page 14. General fund tax revenues are budgeted to be \$2,583,700 in 2008; the budgeted amount in 2007 may be a different number. It was also clarified that impact fees in the amount of \$46,641 must be used by 2010 to stay within the six year spending requirement. In addition, the reference to "New Park" was clarified to mean development of a new park facility, unrelated to the Newpark development at Kimball Junction. Mickelsen said he is a proponent of budgeting the full amount of impact fees for park development each fiscal year so that dollars are appropriated if needed.

Mickelsen thanked Jordan and Park for their effort in compiling the report, and suggested a Board motion to accept the report.

MOTION: To accept the annual Independent Audit for year ending December 31, 2007. [McClelland/Perry] [McClelland/Douthett] All in favor: Tim Douglas, Tracey Douthett, Scott McClelland, Jim Moran, Sharon Odell, Ron Perry, Scott Siemon. None opposed. None absent. Motion carries.

PUBLIC INPUT

Mickelsen said that in follow up to the June 4 Board meeting, Eric Langvardt and Jeff Graham are in attendance to further review the proposed Silver Creek Village community park. Mickelsen, Douthett and Dickens attended a site visit to view the size of the property, its proximity to roads and trail connections, slopes, proposed open space and views. Langvardt summarized the site plan. Slopes are all under 10%. The project includes an elementary school site to be dedicated to South Summit School District. The total project size is 244 acres with a proposed 55 acre park site. The developer has approached Fireman's Fund to purchase an adjacent 21 acre out parcel. Jeff Graham said the project is vested under the 1998 development code which is an incentive based matrix system. Base density is 1 unit per 20 acres for developable lands, and 1 unit per 40 for undevelopable lands including wetlands and steep slopes. A formal application for a Special Planned Area (SPA) and a rezone is expected to be submitted within the next four weeks. Workforce and affordable housing will be included. Mickelsen said the school site and neighborhood park is flat land. Discussion has taken place between Summit and Wasatch County school districts about the possibility of creating a vocational school. Langvardt said a service provider letter would need to reflect how the project meets the neighborhood recreation requirement, as well as community benefits for parks and trails. Testing of soils will determine what will need to be remediated in the contaminated overlay zone. It impacts the areas proposed for the school and neighborhood park. Douthett commented that the topography of the land proposed for a community park is rolling sage, views are good, and the wetlands provide habitat for poplar and willow trees that could be integrated into a park design. Bruce Dickens concurred that the parcel is well suited to the needs of the District. It was suggested that this location could lend itself to lit ball fields. Board members were fully supportive of the park site dedication. Mickelsen will request that Bonnie Park prepare a draft service provider letter for Board review at the July 2 meeting.

BID AWARD FOR CONCRETE WORK AT ECKER HILL

Board members received a memo on the bid award for concrete work at the Ecker Hill field complex in their packet. The bid opening was held this morning. J&R Development was the low bid. The staff recommendation is to award the bid to J&R. Bruce Dickens reviewed the areas to be hardscaped, surrounding the restroom building and in front of the concrete bleachers. The concrete will replace the original grass pavers that have failed over time. Chair Odell called for a motion.

MOTION: To approve and award the bid for Concrete Work at Ecker Hill International Middle School to J&R Development per the low bid price of \$62,200 and authorize the District Director to enter into a contract for said work. [McClelland/Douthett] All in favor: Tim Douglas, Tracey Douthett, Scott McClelland, Jim Moran, Sharon Odell, Ron Perry, Scott Siemon. None opposed. None absent. Motion carries.

AMENDMENTS TO JOINT USE AGREEMENT FOR RECREATION

Board members received a memo on amendments to the Joint-Use Agreement for Recreational Field Use pertaining to expanding sport field space at EHIMS and maintenance upgrades to the Jeremy Ranch Elementary field. At the June 4th Basin Recreation Board meeting, Board members agreed to use impact fees for the field expansion at EHIMS, if the School Board gave permission for the improvement. A grading permit will be obtained from Summit County. The Brook Hollow Village owner's association has been notified. Staff recommends that the Board approve the amendment to the Joint Use Agreement as written. The School District will pay for the cost of water for irrigation in the EHIMS expansion area and at JRES.

MOTION: To approve amendments to the Joint-Use Agreement for Recreation site specific policies dated June, 2008 for Ecker Hill International Middle School and Jeremy Ranch Elementary field improvements. [Perry/Moran] All in favor: Tim Douglas, Tracey Douthett, Scott McClelland, Jim Moran, Sharon Odell, Ron Perry, Scott Siemon. None opposed. None absent. Motion carries.

FIELD HOUSE POLICIES

Mickelsen complimented work of the Recreation Department staff in researching private enterprise use of the Field House. Phillip-Nielson presented a power point slide show (attached). Current field rental fees were summarized. They apply to three categories of Field House user groups: stakeholders, residents and non-residents. Discussion followed on reservations and billing of stakeholders. Mickelsen complimented Matt Strader on his ability to balance the user group demands. Community event use was reviewed. Currently there are two private businesses renting field space. A summary of operating costs to open the Field House was presented, including staff, utilities, and janitorial service. It costs \$37.06 per hour to operate the facility. A schedule for recommended private group rental fees was detailed. Douglas said his concern is that public tax dollars are enabling a for-profit company. While rental fees cover the operational costs of the facility, they do not offset the capital facility investment. Discussion followed how the new fees would apply to various users. McClelland commented that these programs are serving our constituents. Odell agreed and pointed out that the District does not have paid staff to run these programs. Mickelsen said the issue is whether the Board supports the use of the facility for private business and, if so, is the District receiving a fair share of rental revenue. Advantages are that the District derives revenue through the rental, the programs exposes new patrons to the facility, and the group fitness needs of constituents are being met. Phillips-Nielson said the majority of participants end up buying passes. The disadvantage is that the programs may take away from programs offered by private facilities, or be perceived as subsidizing private enterprise. Odell said that the District does not offer these programs, and without them the field space would be empty. Siemon agreed and believes if Basin Recreation started offering fitness programs private health clubs would have a bigger problem with that. Phillips-Nielson said the current pricing is based on an existing contract. The proposed rates for Full Function Fitness will not take affect until 2009. This pricing would apply to any new scheduling of field time. Mickelsen said Field House fees have not changed since 2004, and suggested the Board may want to review whether a rate increase is due. He reminded the group that the District's revenue goal was to have the Field House operate at 70-75% return. With utility cost increases, the Board may want to consider cutting back on hours/service or raising rates. Douglas said if these are to be the proposed 2009 rates, staff should analyze cost increases that have occurred. Mickelsen said staff will bring back a rate schedule for 2009.

Discussion turned to personal trainers utilizing Field House facilities for training of clients. Phillips-Nielson said currently there is no policy in place. Recreation staff believes there is a strong correlation between the private enterprise groups and private trainers that utilize Field House for a business. Three policy options were outlined. A limit of two clients per session would apply so that personal training sessions do not dominate the fitness equipment area. Trainers will need to provide proof of insurance and current certifications, and they will pay fees in order to obtain a "trainer badge." Mickelsen said some facilities have their own personal trainers on staff, and others have personal trainers working on a percentage split. It is estimated that eight or nine trainers are currently utilizing the weight room for their services. Mickelsen said this program would not be adopted until September, and trainers will have an opportunity to provide feedback. He suggested if the Board is supportive, notice will be given and a public hearing will be held in September. Siemon believes personal trainers expect to be charged in some way, and should not be surprised by this policy, however acceptable types of certification will need to be clarified. McClelland said he believes documentation of trainer liability insurance is one positive outcome of the proposed policy.

TRAVEL REQUEST

Board members received a travel request for staff members Mickelsen, Phillips-Nielson and Isleib to attend the NRPA Congress this fall. Chair Odell called for a motion.

MOTION: To approve the travel request for Ken Mickelsen, Shelley Phillips-Nielson and Justine Isleib to attend the NRPA Congress in Baltimore, MD, October 13-19, 2008, in the approximate amount of \$5,665. [Perry/Siemon]. All in favor: Tim Douglas, Tracey Douthett, Scott McClelland, Jim Moran, Sharon Odell, Ron Perry, Scott Siemon. None opposed. None absent. Motion carries.

As an aside, Mickelsen said an award for consultant services to provide a survey and grading plan for the Trailside tennis courts has been made. Mickelsen said he has Board authorization to sign the contract. Three proposals were received and it was awarded to Langvardt Design Group, as the low price.

APPROVAL OF INVOICES

Board members were provided a summary of payables dated June 5 – June 18, 2008 for Board review (attached). Perry questioned the invoice for Biogross to lay sod (\$3,570) and Granite Seed for \$1,018. Mickelsen said he would email a response on the Biogross. The Granite Seed invoice is for overseeding mix. A payment to Gold's Gym in the amount of \$200 paid for a Flow Rider experience for one of the summer camps. Payment to the Salt Lake Bees in the amount of \$4230 was for a baseball program participant package that includes t-shirts, a game ticket, and hat, along the lines of the Junior Jazz program for basketball. Siemon asked if this year's travel camps take into consideration the cost of gas. Mickelsen said a price for camper transport with Park City Transportation was locked in, and they are honoring the contract. Douthett requested clarification on a payment to Stretch 'n Grow. Phillips-Nielson said fees for that program are taken at the Field House and this is payment for their 70% split. Mickelsen said he will follow up with Jordan on payroll service expense. McClelland asked if the cost/benefit for Moffet Consulting has paid off. Mickelsen said internal work with staff has been a benefit. Part of the training is with the Board. Siemon asked if any summary from Moffet will be forthcoming. Mickelsen will follow up.

MOTION: To approve the invoices of June 5 - 18, 2008 in the amount of \$128,296.41 [Douthett/Douglas] All in favor: Tim Douglas, Tracey Douthett, Scott McClelland, Jim Moran, Ron Perry, Scott Siemon. None opposed. None absent. Motion carries.

In follow up to a question raised at the June 4th meeting, Phillips-Nielson said the Universal Athletic golf tournament was used as a departmental team-building event.

DIRECTOR COMMENTS

Mickelsen brought the Board up to speed on several capital projects that are underway. The bid award for concrete work at Ecker Hill was awarded. The project will commence after Triple Crown and be complete by the time school starts in August. Bid opening for tennis courts is scheduled for July 1. The Board will review and award the contract on July 2. The goal is to complete the project by the end of August. The low impact permit has been submitted along with an erosion control plan. Mickelsen suggested one or two Board members consider being a part of the selection committee for Field House design work for Phase II, and splash pad. Douglas questioned the use of funds to design a splash pad at the Field House. Moran defended his opinion at the June 4th meeting since he believed the proposed \$400,000 expenditure for a major splash pad at Trailside to be a lot of money and questions if a smaller splash pad with some other recreation uses should be contemplated. Mickelsen said the proposals are due on July 3. Scott McClelland and Jim Moran volunteered. After discussion of travel schedules, Douthett offered to be a backup for the selection committee. Mickelsen said an RFP for Field House custodial services has been advertised and proposals are due on July 16. An RFP for the grading plan at Ecker Hill is also out.

Mickelsen presented the 2006 conceptual drawings of Phase II of the Field House. They were prepared by EDA for the open house that preceded the election. One option included a gymnasium, an indoor/outdoor pool, with a lap pool. Since then, the majority of Board members have decided not to be in the pool business. New conceptual drawings will include various concepts, including a gym showing location and layout options. If the Board chooses to go for a bond in 2009, the work will be done. Douthett told Douglas that the Board wanted to see if a splash pad might suitably fit. Mickelsen specified the top four items the Board considered for the second phase, including additional field space, a gymnasium, expanded fitness and a climbing experience. The splash pad will be considered based on discussion at the June 4th meeting.

BOARD MEMBER QUESTIONS/COMMENTS

Jim Moran questioned approaches to competitive bidding practices and bid awards, especially on projects that receive only a few bids. Mickelsen summarized bid advertisements and noticing procedures. He said the Board can always reject all bids and re-bid a project if desired. He also said many projects require a mandatory pre-bid meeting. At that time an early determination of the number of offerors can be made and it can be decided as to whether extended noticing should be considered. On the Trailside tennis court project, only one bid is expected.

At 9:13 pm a motion to adjourn the meeting of June 18, 2008 was made.

MOTIONS

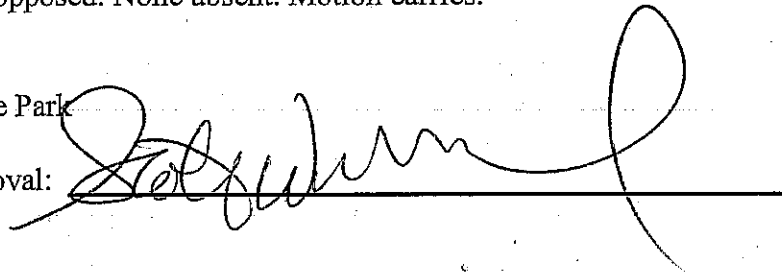
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Minutes prepared by Bonnie Park

Clerk/Board Member Approval:



A handwritten signature in black ink, appearing to read 'Scott Siemon', is written over a horizontal line. The signature is cursive and extends to the right of the line.