



Snyderville Basin Special Recreation District
Board Meeting Minutes
Wednesday, June 3, 2009
Schefter Conference Room - Trailside Park
5715 Trailside Drive
Park City, Utah

Board Members in Attendance: Tracey Douthett, Scott McClelland, Sharon Odell, Scott Siemon, Marilyn Stinson. Ron Perry arrived at 6:30 pm.

Absent: Kevin Simon

Staff/Employees Present: Rena Jordan, Bonnie Park, Matt Strader, Senta Beyer, Maikella Parker

Attending Guests: Greg Ogden

The meeting of June 3, 2009 was called to order by Chair Odell at 6:18 pm.

PUBLIC INPUT

There was no public input at this point in the meeting.

2008 INDEPENDENT AUDIT

Greg Ogden provided Board members with copies of the 2008 Independent Audit report and his management letter. The management letter reflects only one finding which is the fact that Ogden assists with the preparation of the financial statements. He noted this is true of almost every government entity he works with. There are no other findings and he commended Jordan and her staff for their work. In his opinion letter this report represents fairly the financial position of the District as of year end 2008.

He continued with a review of the District's Basic Financial Statements. He directed the Board to page 16, the statement of net assets. Net assets are broken down between capital assets (land, parks trails), net of related debt. Related debt is outstanding bonds. Because the District issued bonds and incurred debt, but then gave the open space asset to Summit County, this number is negative. Until this year it has been a positive number. As the debt is repaid this will once again become positive unless the Board opts to consider another open space bond for Summit County. He cautioned the Board that the District could put itself in a position of having liabilities, rather than any net assets. On page 17, a comparison of expense to revenues by department is provided. Open space is one category, and the \$10 million is stated as an expense, with an offsetting \$1.5 million contribution because the District holds fee title to half of the Koleman parcel which is valued at \$2.5; \$1 million was paid for out of the District's impact fee fund. If not for the issuance of the open space bonds, the District would have had an increase in net assets and overall had a good year.

Ogden reviewed the Balance Sheet for Governmental Funds on page 18. There are strong fund balances in the general fund, debt service, impact fees and capital projects funds. On page 20, a presentation of revenues and expenses on a fund by fund basis is provided. There is an increase in the general fund of \$137,541 and an increase in the debt service fund of \$221,619. The impact fee fund shows a negative \$736,888 due to the payment of \$1 million for the Koleman parcel. Less than that came in through impact fee revenues in 2008. In the capital projects fund, there was also less in revenues when compared to 2008 capital project expenditures. Ogden said impact fee collections have been low state-wide and will remain so until the housing market turns around. On page 22, Ogden noted the budgetary comparison schedule. Departmental expenditures were less than the budget in each case, as noted in the variance column which reflects all positive numbers. This is required by the state and, according to Ogden, the state auditor has been tracking it closely.

Ogden invited questions from the Board. Brief discussion followed on ways in which future open space bond initiatives will need to be structured to protect the financial position of the District. Jordan said staff worked hard to footnote the open space transaction accurately. Park stated when the bond was approved in 2004, there was no way to predict when bonds would be issued and how proceeds would be specifically spent. Fundamentally, as the governing Board of the District the County requested that the Recreation District function as the taxing entity for an open space bond and it seemed like the right thing to do. It was not until the 2008 financial statements were prepared that the fiscal consequence became apparent. Jordan said the transaction will need to be described to the bond rating agencies. She said financial advisors at Zion's bank have said it is unlikely that the rating agencies will receive the report and automatically downgrade the District, but they would re-look at the rating at the time of a future bond. Rating agencies will look at the fund balances, which were not affected and remain strong.

Ogden reiterated that staff does an excellent job and has worked hard to make sure the 2008 report is accurate.

MOTION: To accept the 2008 Annual Independent Audit as presented by CPA Greg Ogden. [Douthett/Perry]
All in favor: Tracey Douthett, Scott McClelland, Ron Perry, Scott Siemon, Marilyn Stinson. None opposed.
Absent: Kevin Simon. Motion carries.

ARTIFICIAL TURF REPLACEMENT BID AWARD

Jordan reported on the status of the field turf invitation to bid and the ProGrass warranty claim. Board members were provided a bid summary sheet with points awarded based on selection criteria. There were five bids received, however one bid from A1 Construction was delivered to the wrong location and is not included in the summary. It was the high bid. Jordan said the warranty adjustment from ProGrass amounted to \$10,000 worth of consideration in their bid. They are not willing to negotiate further. With that, ProGrass is the low bid, but the staff recommendation is to award the bid to Hellas construction. Strader commented the ProGrass proposal was very general compared to other submittals. Bonnie Park said the specified selection criteria included experience of the project team, capability of the contractor, approach to the project and cost. The District is not required to take the low bid, because the award takes into consideration these other criteria. With ProGrass there is the anomaly of the warranty claim as it relates to cost. The attorney representing the District did a good job trying to find a business resolution, but an email late this afternoon from the attorney representing ProGrass said this is the final offer. Park said staff discussed whether to reject all bids and have ProGrass continue repair work until next year, or make a recommendation to the Board as to what they believe the best plan of action to be. Park said a mandatory pre-bid meeting was held with those firms wishing to submit a proposal, and contractors were invited to propose alternative subsurface stabilization methods. Hellas Construction included an alternative to scarify the sub grade 6" down and mix in concrete to stabilize. There is some speculation as to whether rodents have created the uneven turf. Strader talked about qualifications of Hellas, a turnkey supplier of artificial sport fields, and described their experience on other projects. The turf warranty offered by Hellas is eight years. Jordan said she believes the core issue is the subsurface, and she suggests the Board award the bid minus the

sub-surface stabilization until a soils engineer can analyze the base. She reported \$110,000 is currently earmarked for this project, but there is \$535,000 in the replacement reserve. Discussion followed on other re-uses for the turf to be removed. Strader said the installation will take place June 22 – July 4th.

MOTION: To award the bid for Fieldhouse Turf Replacement to Hellas Construction in the amount of \$126,130.00 based on the experience of the project team, capability of the contractor, approach to the project and cost. Staff is directed to seek professional review of the proposed added alternative at a cost of \$29,650, as specified in the bid proposal, for sub-base stabilization. Further the District Director is authorized execute contract documents in a not to exceed amount of \$155,780 [McClelland/Perry] All in favor: Tracey Douthett, Scott McClelland, Ron Perry, Scott Siemon, Marilyn Stinson. None opposed. Absent: Kevin Simon. Motion carries.

INTERLOCAL AGREEMENT BETWEEN SBSRD AND SBWRD

Bonnie Park this will be the first in a series of discussions related to the Interlocal Agreement for Co-Location of Facilities with the Water Reclamation District to improve a trailhead on their property by East Canyon Creek at Jeremy Ranch. It is intended to provide a public trail system crossing that will not continue to be compromised by the adjacent landowner on the PP-50 parcel. The SBWRD Board will review it on June 15. Further Recreation Board discussion will occur at the June 17 work session. Hopefully approval from SBSRD will be granted July 20, and it will be on the Recreation District agenda for consideration and approval on August 5th. Park highlighted terms of the agreement and directed the Board to the conceptual plan prepared by Bob Radke. Trailhead facilities and the bridge were described. Senta Beyer is in the process of permitting the crossing, and is also working with the Jeremy Ranch Homeowners to establish an easement on the north side of the creek where the bridge will land. The existing bridge crossing on the adjacent PP-50 parcel is located on private property. It is zoned as a parking lot as part of the Jeremy Ranch Consent Agreement. Summit County has denied former requests for a PP-50 parcel zone change. Park and Beyer proposed a PP-50 parcel purchase of \$30,000, the equivalent amount to install a new bridge, but the landowner was not interested. Park described the process to permit and bid the project. Scott McClelland verified with staff that there will be no deposit on a pre-cast bridge until the project is permitted.

DISTRICT POLICIES AND PROCEDURES CHAPTER 1-5

Board members received a copy of Chapters 1 – 5 of the District Policies and Procedures at the May 6th meeting for review. Park highlighted changes due to the re-codification of special districts approved by the Utah State Legislature, and also noted clarification of policies related to sales tax and sales tax exemptions. Administrative Control Board Rules and Regulations have been modified to reflect Code changes, purchasing parameters of the Director, and changes in Summit County Government. New changes in the Open and Public Meetings Act have been incorporated or properly restated to reflect legislative action in recent years. Changes to Chapter 5, Government Records Access Management Act, have also been expanded and modified to provide greater specificity.

MOTION: To repeal and replace chapters 1-5 of the District Policies and Procedures Manual dated June 3, 2009. [McClelland/Stinson] All in favor: Tracey Douthett, Scott McClelland, Ron Perry, Scott Siemon, Marilyn Stinson. None opposed. Absent: Kevin Simon. Motion carries.

FIRST QUARTER FINANCIAL REPORT

Rena Jordan presented the District's first quarter financial report prepared by Maikella Parker. She noted property tax revenues compared to first quarter 2008 are skewed because Summit County now distributes these revenues monthly. The first distribution in 2008 was not made until June of last year. She pointed out the decrease in camp revenue in 2009, and predicts this line item is unlikely to recover. Discussion followed on how the economy may be impacting enrollment. Staff continues to review and adjust program offerings and

staffing required as the school year comes to a close. Overall Recreation Department revenues are up due to higher revenues in Fieldhouse rentals and passes. Jordan said overall the first quarter and year to date expenditures are well within the "lean" budget. She remarked on some of the maintenance challenges related to irrigation system repairs at Jeremy Ranch Elementary and a sewer line repair at Ecker Hill. These have increased recent expenditures, but all are within the lean budget. Jordan explained the forecast puts revenues and expenditures in relation to the total budget. Because the majority of property tax collections come at year end the comparison of revenues to expenditures is in the negative through most of the year, but the District's general fund balance is sound.

SERVICE PROVIDER/PLANNING UPDATE

Bonnie Park said Condo Plat #9 for Vintage on the Strand at The Canyons has been signed.

APPROVAL OF MINUTES 5/6/09

Chair Odell called for comments, questions or a motion to approve minutes of May 6, 2009. Tracey Douthett noted that her name is included in the motion to approve minutes and invoices, but she was not in attendance at that meeting. The correction was made.

MOTION: To approve the minutes of May 6, 2009, as corrected. [Perry/Stinson] All in favor: Tracey Douthett, Scott McClelland, Ron Perry, Scott Siemon, Marilyn Stinson. None opposed. Absent: Kevin Simon. Motion carries.

APPROVAL OF INVOICES

Board members were provided a summary of payables dated April 30 – May 27, 2009 for Board review (attached). Tracey Douthett noted the unemployment being paid by the District. Jordan said staff is looking into whether the District should join the state fund for unemployment rather than continue to be self-insured based on the unemployment amount currently being paid out. Following brief discussion, Chair Odell called for a motion to approve.

MOTION: To approve the invoices of April 30 - May 27, 2009 in the amount of \$98,552.18 [Perry/Douthett] All in favor: Tracey Douthett, Scott McClelland, Ron Perry, Scott Siemon, Marilyn Stinson. None opposed. Absent: Kevin Simon. Motion carries.

DIRECTOR COMMENTS/ACTION ITEMS

Jordan said there is no further action needed on the splash pad proposal at this time. Staff is still awaiting a response from the RAP committee for use of grant funds at the Fieldhouse.

The summer edition of the District newsletter has been mailed.

Jordan commented on the guest editorial written by Stanton Jones published in today's Park Record. Jordan will attend the Park City Council Meeting to gain insight on the Racquet Club remodel and aspects of public/private competition.

Jordan said she attended a Utah Sport for Life meeting. She described the state-wide initiative to provide training for basic fitness, agility and coordination. The presenter noted that schools and recreation programs should focus on opportunities to teach these fundamentals from 0-6 years and 6-9 years rather than evolving elite athletes at a young age. The initiative is centered in Park City and Salt Lake City due to the athleticism in these areas. The program is based on a model out of Canada, and has a focus on fundamentals.

Jordan provided the Board copies of the recently updated Core Values Survey completed by staff. It compares the previously administered core values survey results compared to current. This information will be reviewed at the next staff meeting.

Board members were reminded of the National Trails Day/Stand on Your Land Open Space Celebration activities this Saturday, June 6th.

PUBLIC INPUT

No public input was provided at this meeting.

A motion to adjourn the meeting of June 3, 2009 was made at 8:32 pm. [Perry/McClelland] All in favor: Tracey Douthett, Scott McClelland, Ron Perry, Scott Siemon, Marilyn Stinson. None opposed. Absent: Kevin Simon. Motion carries.

MOTIONS

MOTION: To accept the 2008 Annual Independent Audit as presented by CPA Greg Ogden. [Douthett/Perry] All in favor: Tracey Douthett, Scott McClelland, Ron Perry, Scott Siemon, Marilyn Stinson. None opposed. Absent: Kevin Simon. Motion carries.

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Minutes prepared by Bonnie Park

Clerk/Board Member Approval: _____

