



Snyderville Basin Special Recreation District
Special Board Meeting Minutes
Wednesday, November 5, 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 arrived at 6:26 pm. Jim Moran arrived at 6:54 pm.

Absent: None

Staff/Employees Present: Ken Mickelsen, Bonnie Park, Rena Jordan, Senta Beyer, Bruce Dickens, Shelley Phillips-Nielson.

Attending Guests: None.

Chair Odell convened the meeting of November 5, 2008 at 6:07 pm.

PUBLIC INPUT

There was no public input at this meeting. Park said that Jim Moran notified her that he would be late.

AMENDED AND RESTATED SBSRD REGIONAL TRAILS AGREEMENT, EXHIBIT I.2.3. TO THE CANYONS SPA AGREEMENT

Board members received a staff memo prepared by Bonnie Park in their packet. Park said the Board made a motion to approve this Agreement in January, 2008. The motion at that time conditioned the approval on further legal review. Due to some material changes recommended by David Gee, the attorney representing Summit County conducting negotiations with The Canyons, the Agreement is being brought back before the Board for further consideration. The intent of the amendment is to properly reflect obligations of the parties to the Agreement, while separating out Wolf Mountain Resorts, in order to allow golf course construction to proceed. It is still contemplated that the Amended and Restated Trails Agreement will become effective at the time The Canyons SPA development area master plats are recorded. When that will happen is unclear due to two law suits pending with Wolf Mountain and Summit County. These changes make it clear that if Wolf Mountain refuses to sign the Amended Agreement, the original (1999) Trails Agreement is still effective as to the obligations of Wolf Mountain.

MOTION: To approve the Amended and Restated Regional Trails Agreement, Exhibit I.2.3. to The Canyons SPA Agreement, and forward a positive recommendation to the Summit County Commission to proceed with the public hearing. Provided there are no further material changes, the Snyderville Basin Special Recreation Board will execute the Agreement at such time the final form, inclusive of all exhibits, is prepared and presented for signature, prior to the time master plats are recorded. [Perry/Douglas] All in favor: Tim Douglas,

Tracey Douthett, Scott McClelland, Ron Perry. Absent: Jim Moran, Scott Siemon. None opposed. Motion carries.

At this point in the meeting Ken Mickelsen suggested that the agenda be re-arranged to allow for full Board participation in discussion of the Interlocal Agreement with Summit County.

SERVICE PROVIDER

Park said she signed the Westgate Amended Condo Plat, located in The Canyons. Several projects are before the Planning Commission, including the research park and workforce housing within the 89 acres of the Boyer Parcel at Kimball Junction, and Silver Creek Village at Silver Creek Junction.

DIRECTOR COMMENTS

Ken Mickelsen proposed the Board consider allowing District staff a paid holiday the day after Christmas due to the fact that it falls on a Friday this year. Those that are required to work will receive an in-lieu day off.

MOTION: To approve a District holiday for staff on Friday, December 26, 2008. [McClelland/Douthett]. All in favor: Tim Douglas, Tracey Douthett, Scott McClelland, Ron Perry. Absent: Jim Moran, Scott Siemon. None opposed. Motion carries.

INTERLOCAL AGREEMENT WITH SUMMIT COUNTY FOR RECREATIONAL OPEN SPACE LAND ACQUISITION

Ken Mickelsen said that in previous meetings the Board has been made aware that the District has an opportunity to purchase 10 acres of the Koleman property from Summit County for \$1 million. If the Board chooses to purchase the property it will be intended for future development of athletic fields. At the last meeting it was asked if there is sufficient land available for fields. Mickelsen said a conceptual plan has been developed. It demonstrates that two regulation soccer fields and some parking can be accommodated. Park spoke to the need to meet the intent of BOSAC to keep the front ten acres fronting S.R. 224 open. Douglas and McClelland agreed. Park said the discussion tonight is about the use of District bond proceeds for open space acquisition, and the 10-acre park parcel is one piece of that. She said this acquisition is a good fit for the District due to the combination of uses being active and passive, and the provision of trails. Mickelsen said the current commission would support active use on a portion of the property, and there is money in the impact fee fund to pay for the purchase. Park said that in the previous meeting Jim Moran asked about this acquisition in relation to how the District's levels of service standards are being met. In the memo prepared for Board packets, the LOS are included. In the year 2020 it is anticipated that the District will need 18 soccer fields. The proposed ten acres would provide land to meet some of need. This Agreement is intended to define and document use of the funds, where they came from and what they are to be used for. She detailed the particulars of Section 1 of the Agreement noting that, if the Board is in agreement, \$1 million of impact fee funds will be used to purchase the back ten acres of Koleman. The Agreement further describes the planned expenditure of the balance of the Bond proceeds to purchase the "Boyer Open Space Property" at Kimball Junction. Tim Douglas inquired about use of funds toward purchase of the Quarry Mountain parcel, per the reimbursement resolution adopted by the County Commission. Park said because the Boyer/PRI parcel re-surfaced as an acquisition opportunity, it was agreed that this document could be simplified to include Koleman and Boyer at Kimball Junction. If the Boyer acquisition falls through, the County could act on the reimbursement resolution to spend down bond proceeds on Quarry Mountain. Park said this Agreement is on the County Commission agenda next Wednesday, November 12. It is time sensitive due to BOSAC commitments made to the Koleman family for final payment. Mickelsen said the District has an excellent opportunity to buy a great piece of property at a great price. Staff believes the acquisition would be a worthwhile utilization of impact fees. Ron Perry complimented the group for the open dialog and supports the acquisition in doing what is right for the public. McClelland expressed uncertainty regarding the public's perception on the acquisition as purely open space. Douglas emphasized the

acquisition has been presented to the public as both field space and open space. McClelland stated some of the rationale in favor of the park parcel acquisition was that the land will be under snow and viewed as purely open space much of the year. In addition, the \$1 million purchase price for parkland will be utilized toward acquisition of the "Boyer Open Space Property." With those points in mind, he expressed his support of the park parcel acquisition. Mickelsen noted the time sensitive nature of finalizing this Agreement. Chair Odell called for a motion.

MOTION: To approve the Interlocal Cooperation Agreement between Summit County and Snyderville Basin Special Recreation District for Distribution of Funds and Expenditure and Use of 2008 Open Space Bond Proceeds, contingent upon additional legal review and final authorization by the Board Chair.

[Douglas/Douthett] All in favor: Tim Douglas, Tracey Douthett, Scott McClelland, Ron Perry, Scott Siemon. Absent: Jim Moran. None opposed. Motion carries.

CONSIDERATION AND APPROVAL OF PARKS DEPARTMENT TRAVEL REQUEST

Board members received a staff memo prepared by Bruce Dickens for three Parks Department staff to attend the Sports Turf Management Association conference in January. McClelland questioned the need to send three people. Dickens discussed the nature of the conference and how it would benefit key staff. Perry said the District must be cognizant of the state of the economy. He will support this expenditure due to the fact that it is in the budget, but suggested that department managers be more fiscally conservative moving into 2009.

MOTION: To award the approval of the request for Bruce Dickens, Padraic McGarry and Josh Elmer to travel to the Sports Turf Management (STMA) conference from January 12 -14, 2009 in the approximate amount of \$4200.00. [McClelland/Douglas] All in favor: Tim Douglas, Tracey Douthett, Scott McClelland, Jim Moran, Ron Perry, Scott Siemon. None absent. None opposed. Motion carries.

McClelland suggests it be left up to Dickens as department manager to decide if two or three staff members will attend.

YEAR-END PRESENTATION 2008 DISTRICT GOALS

Ken Mickelsen said he would like to bring the Board up to date on District goals. He distributed evaluation forms to Board members. He explained their ranking is an important component to the overall bonus/merit plan for the Director and staff in accomplishing goals and direction as outlined by the Board early in the year. A mid-year report was provided, and an updated power point has been prepared to reflect what has been accomplished (attached). He requested that evaluation forms be returned to the Board chair. The first goal was to implement and make core values real. Mickelsen said a core value committee has been established to make recommendations on how to move forward. Douglas asked for an example of one core value that has been implemented. Mickelsen said it is a broader perspective than that. Jordan said a great deal of time was spent on getting aligned on definitions of the core values. Actionable exercises have been developed by the committee to be experiential in nature to improve staff communication. She shared examples, and stated the next value exercise will be on accountability. The 2008 bond feasibility decision was made early in the year. In the area of strategic planning and capital projects, department managers provided updates on current project status. Mickelsen pointed out that very few capital dollars will be available in 2009. Park and Jordan reviewed the broad variety of ways District public relations and identity have been stepped up. Mickelsen reviewed achievements in the area of land acquisition and facility expansion, and noted several areas of collaboration and community partnerships. He reminded the Board that a portion of his evaluation and the staff merit bonus is predicated on the Board's evaluation.

THIRD QUARTER FINANCIAL REPORT

Rena Jordan provided a handout for the third quarter financial report (attached). She said that third-quarter appears outdated when compared to year-to-date information she has prepared for the budget discussion, but quarterly financial reporting is required. The District was less than 75% spent in each department as of the end of September. A condensed statement of revenues and expenditures reports on all funds. She directed the Board to a snapshot of the balance sheet in which funds are broken out between each fund. At this time of year, the District is borrowing funds from capital to cover operations until tax distributions are received in December. She has confirmed with independent auditor Greg Ogden that it is okay to borrow between funds, but she raises the issue as an awareness factor for the Board. Douglas asked if this occurs every year. Park said often the District has requested an advance from Summit County to cover debt service payments, but this may be an indicator of how the operations budget has grown in recent years. Jordan said she looked back to 2007 and the operations fund balance was not a concern; the large tax distribution occurred December 28th. Perry asked how property taxes are typically distributed. Park said historically the distribution occurs at year-end, however the County has been working with a new software system that has allowed more frequent distributions in 2008. At the last Board meeting the allowed uses of the accumulated fund balance were reviewed, one of which is to provide cash flow to finance expenditures until general property taxes are collected.

PRESENTATION FINAL DRAFT 2009 BUDGETS

Rena Jordan provided draft budgets for Board review (attached).

Mickelsen said on behalf of the leadership team he is pleased to present a proposed 2009 budget for operations and maintenance, capital, debt service and impact fees, and provided an overview. The 2009 budget is predicated on the need to balance revenues with expenditures to implement the goals of the Board, to continue to meet debt service requirements and to maintain core services. The budget also reflects budget assumptions to include a continued contribution of 11.59% to the employee retirement plan, salary scale increases for qualified employees, the continuation of employee health plans and funding of a COLA increase. Mickelsen said the revenues in 2009 reflect an increase of 7.24% from the amended 2008 budget. The 2008 budget is proposed to be amended down. Mickelsen said in recent years, the District has projected a 12% increase in property tax revenues, whereas this year the increase is projected at 6%. Mickelsen said 73.5% of revenues come from property taxes; 13.6% comes from Fieldhouse revenues; 6.5% from recreation programs; 2.4% from grants. The balance of revenue sources come from interest income, fee in lieu and outdoor field rentals. The proposed 2009 expense budget for O&M reflects an increase of 13.56% over the amended 2008 budget. Of that 54% is reflected in personnel costs; 46% is allocated to operations and maintenance. Mickelsen said efforts continue to get an accurate reflection of costs associated with running each department, including personnel costs. Mickelsen said capital funding in 2009 is limited, and this trend is expected to continue into the future. In the debt service budget there will be a slight increase in 2009 due to the October issuance of open space bonds. Park explained that the 2008 tax rate anticipated the issuance. Debt payments were projected for purposes of setting the tax rate in June of 2008. Following the bond issuance, debt service payments will allow for a slight contribution to the future payment account of the District's debt fund unless the State Tax Commission adjusts the 2009 rate down to compensate for the extra collection.

Mickelsen said in 2009 there may be an opportunity for the District to partner with the County in the purchase of land for a much needed maintenance facility.

Mickelsen said beyond 2009 it will be increasingly difficult to balance future budgets for O&M and to provide money for capital improvements and the replacement fund because revenues are decreasing and expenses are increasing. The Board could consider truth in taxation for operations and a future bond for capital.

Mickelsen requested that each manager present a brief overview of their department budget. Jordan highlighted the administrative budget. It was acknowledged that legal and consulting fees are difficult to project as they

vary based on the need from year to year. Consulting fees include such items as the needs assessment, IT services, and hourly design fees for conceptual plans. Public relations budgeting was increased based on 2008 costs identified to meet the Board goal of greater District visibility. Bruce Dickens said his department is proposed to increase approximately 10%. He reminded the group that in addition to field maintenance, the parks budget includes building and vehicle maintenance, hardscape and parking lot repairs. Additional field maintenance will occur at Jeremy Ranch Elementary and the expanded Ecker Hill field. Increased personnel cost in parks department is based on step increases, COLA and health expense; no additional staff is planned. Senta Beyer reviewed highlight of the trails department budget. Substantial increases reflect additional weed control along trail corridors and in open space areas assigned to trails. Another significant number is equipment lease which reflects the need for additional snow removal equipment which will be refunded in part through the maintenance agreement with Summit County. The trails department does not contemplate adding staff. Budgeted amounts in contract services and departmental supplies will allow for some additional in-house trail development between Two Creeks and the Koleman property, and from the Gorgoza Park area to the Roberts open space parcel. Shelley Phillips-Nielson reviewed revenues related to programs and Fieldhouse operations, reflecting a 6.69% increase over the 2008 amended budget. Expenditure highlights include contract services for classes and camps. The increase in 2009 is attributed to classes and camps that were not held in 2008, but are planned for 2009. Additional custodial hours at the Fieldhouse are planned in order to maintain a clean facility. Rena Jordan clarified the re-coding of Fieldhouse payroll accounts. Phillips-Nielson said after walking the Fieldhouse some areas for repair have been identified both inside and out. Park noted that recommended improvements to protect air-handler units may need some engineering consultation due to air flow requirements. Phillips-Nielson also noted that the proposed budget for 2009 reflect a self-sufficiency of 70.31%. That cost recovery amount does not incorporate proposed Fieldhouse fee changes, which will be addressed at the next Board meeting.

Jim Moran raised his concern over projected property tax collections coming in lower due to decreasing valuations and the number of property tax appeals. Park said Summit County is anticipating sufficient collections in 2008, with greater challenges in 2009. Tim Douglas said he is concerned over the 13% increase, and would feel more comfortable with half that. Jordan said she has created many scenarios, and said if percentages are compared against last year's adopted budget the increase is 1% in 2009. Park said she believes 2009 will bring a year-long study of valuation changes with a need to possibly decrease expenditures. Mickelsen said the Board could direct department managers to come back with reduced spending plans. Jordan said scenario budgets can be produced to identify expenditure areas that can be reduced or eliminated.

Ken Mickelsen directed the Board to the capital budget and said the Board will need to resolve whether to move forward with the splash pad. Ron Perry said at the last meeting he was led to believe funds were available for the project. Mickelsen said there is still money in the budget to do a splash pad, but it will be on a smaller scale. Jordan said the rollover to the capital budget is predicated on refunding the replacement fund in the amount of \$132,000 to maintain a \$300,000 balance. If those funds are spent on the splash pad, the District does not have the option to pursue those replacements. Discussion followed, and several Board members expressed support for delaying splash pad construction at this time.

Park briefed the Board on essential elements of the debt service budget, which includes the principal and interest payments for open space.

Jordan said that the 2008 and 2009 impact fee budgets have been adjusted to reflect substantial reductions in impact fee revenues due to the construction downturn. She said that it is updated from the impact fee budget distributed in Board packets.

APPROVAL OF MINUTES

Minutes of October 15, 2008 were not available for approval at this meeting.

APPROVAL OF INVOICES

Board members were provided a summary of payables dated October 16 – November 5, 2008 for Board review (attached).

MOTION: To approve the invoices of October 16 – November 5, 2008 in the amount of \$1,269,898.21 [Perry/McClelland] All in favor: Tim Douglas, Tracey Douthett, Scott McClelland, Jim Moran, Ron Perry, Scott Siemon. None opposed. None absent. Motion carries.

BOARD QUESTIONS/COMMENTS

Jim Moran said he attended a meeting last night to discuss a possible dome over the Park City skateboard park. He said the City is looking at design now in order to understand costs for their upcoming budget cycle. Moran said he would relay the concept, in case the District would like to jointly participate in the improvement.

EXECUTIVE SESSION: PERSONNEL

At 9:03 pm, Chair Odell requested a motion to enter into executive session and signed a closed meeting affidavit for the public record (attached).

MOTION: To enter into executive session for the purpose of discussing personnel matters. [McClelland/Moran] All in favor: Tim Douglas, Tracey Douthett, Scott McClelland, Jim Moran, Ron Perry, Scott Siemon. None opposed. None absent. Motion carries.

At 10:01 pm Scott McClelland made a motion to close the executive session and adjourn the meeting of November 5th. The motion was seconded by Perry. All in favor: Tim Douglas, Tracey Douthett, Scott McClelland, Jim Moran, Ron Perry, Scott Siemon. None opposed. None absent. Motion carries.

MOTIONS

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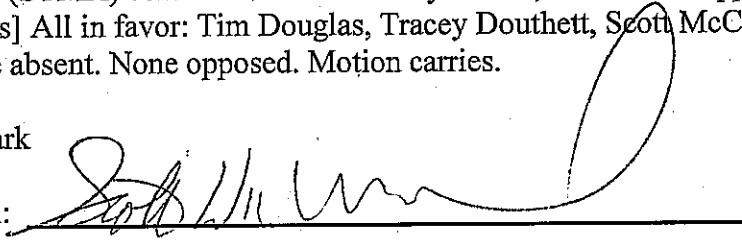
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Minutes prepared by Bonnie Park

Clerk/Board Member Approval:

A handwritten signature in black ink, appearing to read "Scott McClelland", is written over a solid horizontal line. The signature is fluid and cursive, with a large loop at the end.