**Wasatch County Parks & Recreation SSD #21**

**Board Meeting**

**September 11, 2018**

**Minutes**

**\*\*\* DRAFT\*\*\***

**Attendance**:

Danny Goode, Chairman Mike Davis, County Manager

Spencer Park, Vice-Chairman Tom Bonner, Director

Kendall Crittenden, Member Heath Coleman, Asst. Director

Steve Farrell, Member Jon Provost, Events Complex Director

Greg McPhie, Member Laurie Duke, Admin. Assistant

Mark Nelson, Member

Mike Petersen, Member

Danny Goode called the meeting to order at 3:11 p.m.

Tom Bonner presented the minutes for August 14, 2018.

Kendall Crittenden made a motion to approve the August 14, 2018 minutes.

Greg McPhie 2nd the motion. Motion carries.

Danny asked if there were any Public Issues for future meetings.

Rick, with Utah Mounted Thunder, addressed the Board. Rick explained that Utah Mounted Thunder are part of Cowboy Mounted Shooting Association, which puts on a big shoot in October that runs parallel with Cowboy Poetry. They are trying to make this event bigger and add funding to entice more out-of-state participants.

Rick is asking for additional monies to add to the winnings to draw more participants and grow the competition from a two day shoot to two separate shoots, one on Thursday and then the one we have now on Friday and Saturday. Right now there are over 100 riders coming in which he says feels up our hotels, restaurants, etc. Instead of asking for money he is asking that we donate the stall rental to them. That way they will charge their participants for the stalls and use that money to increase their award money. The cleaning of the stalls was discussed and Rick said he would be willing to take on that responsibility or put up a cleaning deposit.

Tom brought up his concern and the question, where does this end? He explained that we have other organizations, such as UBRA, coming in using our facilities and stalls and that we need to establish guidelines and an “end point”.

After a lengthy discussion, it was decided that we could not give a definite answer at this point. This will be an item on the agenda for our next board meeting on Oct. 9th.

Danny asked if there were any Governing Board Issues for future meetings. There were none.

**Warrants**:

Tom presented the warrants for August 5, 2018 through September 5, 2018 in the amount of $115,757.02.

Kendall had a question regarding reimbursement to Farm House Sweets for Wasatch Bucks. Tom explained that we issue Wasatch Bucks to our sponsors that they can use at the food vendor booths, so we have to reimburse the vendors for any Wasatch Bucks they took in. It is a journal entry that moves the money from Sponsor & Advertising.

Steve Farrell made a motion to approve the warrants for August 5, 2018 through September 5, 2018 in the amount of $115,757.02.

Mark Nelson 2nd the motion. Motion carries.

**Concessions at Event Complex**:

Tom reported that he would like to start some initial discussions on our concessions contract. Glen VanWagoner, Midway Foods, currently hold this contract and he sublets it to Peggy McKenzie, Farm House Sweets. The contract expires on December 31, 2018.

Tom said that they are looking at a couple of different options: To continue as we are now, we will have to RFP it, because Glen no longer wants the contract. Peggy is interested in the contract. The other option is to hire employees to be responsible for concessions. Tom said that Spanish Fork, Ogden, and Davis County all have a Food Manager that handles their concessions and that we actually put on more events than they do.

Kendall asked if the concessions contract included the sales at the ball parks and Tom answered that right now the ball parks concessions are separate from the Event Center concessions. He said that he would eventually like one contract for both.

The concession contract is also responsible for satellite vendors like the food trucks, popcorn, corn on the cob, etc. The contract states that they are required to have up to 5 satellite vendors at our big events meaning the Rodeo and Derby. Peggy commented that we have had 17 satellite vendors this year. Greg asked if they just rent the space and Tom replied that they do. Steve said that the concession contract holder then has the liability for those vendors, not the county.

Tom reported that the current negotiated fee on the concessions contract is 8% of gross sales. Steve asked if that covered our costs and Tom answered that it does not even come close to covering our costs. Tom explained that as a district we are responsible for all of the equipment, such as fryers, grills, fridges, coolers, natural gas, etc.

Mike Davis, County Manager, cautioned that when the concessions were started it was not done to make money. It was to bring more tourism to our county and be a benefit to the community and he said that it has been a huge benefit to the community.

Kendall asked if we still have groups that come in such as 4-H and Tom answered that we do. Kendall said that he thought that was great public relations for the community and Tom stated that would continue in the future.

Greg commented that the service has been great and asked if we had received any complaints. Tom responded that we have not had any complaints and said that we are happy with our current service. Spencer commented that his initial response is to keep the service going as it is now.

Peggy McKenzie, from Farm House Sweets, then addressed the board. Peggy stated that she has held the contract longer than anyone and that she had to work hard to build the public’s confidence in her food and service from what it was before she started. She said that she has put her heart and soul into this job and absolutely loves it and would like to continue. She said that her gross sales were approximately $100,000. and she has paid the county $10,000. She pays her insurance and all of her operating permits. She stated that she pays the kids well that work for her and she teaches them how to work, which she feels is a good service to the community.

Greg commented that she has also provided fund raisers for different groups which has also been a great service to the community.

Greg asked if she would respond to the RFP if the contract remained similar and she said she would, but if the contract changed she may not. Greg asked if she would be interested in doing the ball park concessions also and she replied that possibly she would.

Mike Davis stated that before Peggy took over it was a problem for the county. He said that they couldn’t get events to come because we did not have reliable food. He endorses Peggy wholeheartedly.

Tom reiterated that he is happy with the service as provided, but he wouldn’t be doing his job if he didn’t look at all possible options.

It was decided that Tom will have a recommendation of the direction they would like to go at the October Board Meeting.

Board Member Nelson was excused at 3:46 p.m.

**2019 Budget Discussion with possible Levy Adjustment**:

Danny announced that he had asked Mike Davis, County Manager, to attend this part of the meeting. Danny said that one of the reasons we are looking for a potential levy adjustment is that the revenues come in such that we got hit on an audit that we are over budget and the county has been covering this district, cash flow wise, from day one. That is a problem moving forward. We need to carry a surplus and need to work our way in that direction.

 Tom explained the history of the bond election back in June of 1997. The public approved up to .0004 tax levy. Until this last year, January 1st after the taxes came in we were in the black until a certain time in the year and then we had to rely on the county’s cash flow. Then when the taxes came back in at the end of the year we were back in the black. This year, however, we were not back in the black so we need to do one of two things, cut services or move a mill levy to get where we can operate and maintain the dollar amount that we need for the budget.

Greg asked when the last time was that we made a mill levy adjustment. Tom responded that we have held the tax rate two times in the last 20 years. Spencer asked if that was two years ago and Tom answered that it was and the tax rate was held at .000266. Greg commented that we have never had it at .0004 and Tom said that was correct and we have never raised the levy from day one. Kendall commented that we have never collected .0004, which was allowed in the vote.

Tom proposed two options to get to where we need to be with tax revenue and the revenue we generate as a department. The department revenue is about 1.7 million. Taxes bring in about 1.3 million, so we are at about 3 million. We need roughly 3.4 to 3.5 million to operate and maintain the department.

Tom has instructed his staff to look at each and everything we do, each program and every event, and look at ways we can cut back. He feels there are some things we can cut out. If we move the levy to .0003 that would get us right about where we need to be, but it gives us nothing for a surplus or a fund balance.

Option 2 is to take the levy to the max, .0004 and let it drop with the growth. This will give us the money to operate, keep paying back the county, and also start to build a surplus. Tom said that his biggest concern moving forward is not the operation and maintenance, it is what we are going to do when things break down. This year alone we had to replace a pump at Southfield Park, which was $100,000. Mike Davis gave us transient room and restaurant tax for that. Also, the cost of the Rec. Center roof was $406,000. Luckily Mike gave us a loan for the roof so we are paying back $46,000. a year until that is paid off.

In the near future, between 3 to 5 years, the floor at the Event Center will need to be replaced and also the seats in the outdoor arena. Also the track and turfs at the Rec. Center will need to be replaced so we need to have a plan moving forward.

Greg suggested that we need to know what the tax increase would be on a primary residence if we raise the levy tax. A lengthy discussion took place regarding what that amount would be using different value increases. They discussed some other areas, besides Parks & Rec., where taxes are being increased and the impact it may have.

Danny proposed that we hold the mill levy and look at it every other year. Tom thought that was a good proposal, but that it would take a long time to accumulate a fund balance.

Greg pointed out that by never raising the mill levy in 20 years and being so conservative, we actually hurt ourselves.

After much discussion, Tom said that he must notify the Board by October 1st, of the intent to increase property taxes, which he is doing now. This will be on the agenda for our next Board Meeting on October 9th. He will come prepared with the purpose of the tax increase, the approximate % of increase and dollar amount. He said that he would like to have some discussions with the board members prior to the next board meeting.

Steve Farrell was excused at 4:00 p.m.

Kendall asked Tom to express the Health Department’s thanks to Doug Smith and the whole department for their support and help to accommodate the ATV rodeo.

Greg was not in attendance at the last board meeting and he wanted to thank all of the Parks and Recreation staff for the great job they did for Fair Days.

Greg McPhie made a motion to adjourn.

Spencer Park 2nd the motion. Motion passes.

Meeting was adjourned at 4:06 p.m.

Minutes prepared by Laurie Duke