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

**Board Meeting**

**December 11, 2018**

**Minutes**

**Attendance**:

Danny Goode, Chairman Tom Bonner, Director

Spencer Park, Vice Chairman Heath Coleman, Asst. Director

Steve Farrell, Member Jon Provost, Director, Events Center

Greg McPhie, Member Laurie Duke, Admin. Assistant

Mark Nelson, Member Don Wood, IT Director

Mike Petersen, Member

**Excused**:

\*Kendall Crittenden, Member

Danny Goode called the meeting to order at 3:18 p.m.

**Minutes**:

Tom Bonner presented the minutes for November 13, 2018

Steve Farrell made a motion to approve the November 13, 2018 minutes.

Spencer Park 2nd the motion. Motion passes.

Mark Nelson abstained from voting, as he was absent at the November 13, 2018 meeting.

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

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

**1**. **Warrants**:

Tom presented the warrants for November 8, 2018 through December 1, 2018 in the amount of $46,821.54.

Greg McPhie made a motion to approve the warrants for November 8, 2018 through December 1, 2018 in the amount of $46,821.54.

Steve Farrell 2nd the motion. Motion passes.

**2.** **Resolution 18-03 adopting the 2019 Holiday Schedule for Wasatch County Parks and Recreation**

Tom presented Resolution 18-03 adopting the 2019 Holiday Schedule for Wasatch County Parks and Recreation and reported that it is the same schedule as Wasatch County with one difference, which is the half day for the County Fair. Tom explained the District gets one day, of their choosing, since the whole staff is working during Fair Days. Tom reviewed the schedule with the Board.

Steve Farrell made a motion to approve Resolution 18-03 adopting the 2019 Holiday Schedule for Wasatch Country Parks and Recreation.

Mike Peterson 2nd the motion. Motion passes.

**3.** **Event Center Concession RFP bid opening**

Tom reported that he received one bid and opened it in front of the Board. The bid was from Peggy McKenzie, Farm House Sweets. Peggy is proposing that she continue doing the concessions at the Wasatch County Event Center Complex. She has agreed to pay 10% of gross sales and have all of the Health Department certificates. Tom said that there are a couple of changes he would like to see and asked the Board for permission to negotiate this contract. Steve asked if the Board would have the opportunity to approve the contract and Tom answered that they absolutely would.

Tom explained that the main change he would like to make is the transferrable part. Our current contract was held by Glen VanWagoner and transferred to Peggy McKenzie. Tom would like to have some say so that our new contract cannot be transferred to a 3rd party without our approval. Steve also asked about the length of the contract. Tom said that in talking with Peggy he thinks she may want a 2 year contract with an option for a 3rd year. Spencer Park suggested that we do a 2 year contract with an opt in for an additional 3 years. Tom agreed with that and said that the length of the contract is something he would like to negotiate.

Mike Peterson made a motion to direct Tom Bonner to move forward with negotiations with Peggy McKenzie, of Farm House Sweets, on the Event Center Concessions Contract and bring the contract back to the Board for approval.

Steve Farrell 2nd the motion with a question. Steve asked Tom if he was going to have to do a separate contract for the ball fields. Tom responded not at this time. There are still 2 years left on the contract for the ball field concessions. He is thinking that Angie will probably do 1 more year and then opt out and that Peggy will work with Angie and try to ease into it.

Danny Good repeated the motion made by Mike Peterson.

Steve Farrell 2nd the motion. Motion passes.

**4.** **Advisory Board Update**

Tom reported that the applications for the Advisory Board have gone out through social media, our website, and the Wasatch Wave. It doesn’t close until January 4, 2019. He has received two responses, and he thinks both would be good. Tom said that he will bring the candidate names to our meeting in January.

Danny asked if Tom would send the bylaws to the Board and Tom said that he will so that they can review them before our next meeting.

Marilyn Crittenden asked what the Advisory Board was for and Tom responded that the Advisory Board will get involved in every aspect of the Parks and Recreation Department. They will look at the budget, ongoing needs of the department, which means capital improvements, maintenance schedule, all of our programs, all of our events, and all of our equipment. He would like them to develop a ten year plan moving forward. Danny commented that we are going to contract out a study, similar to what was done with the Fire Department. The Advisory Board would set the parameters for the study and once the study is complete, this board would help implement a plan. Tom mentioned that he budgeted for this study in the 2019 budget.

Steve Farrell asked if the Advisory Board could eventually move into a Governing Board and Tom responded that he thinks it could. Greg asked if Steve meant an Administrative Control Board and Steve said yes. Spencer commented that Steve has been pushing for that with all the districts and is wondering what his thoughts are. Steve explained that we are spread pretty thin and with a governing board we could be more specialized. Steve said that since we are a taxing entity we would have to have elected officials. Danny responded that we would not have to have elected officials if the County Council Board had the final say. Tom commented that we would need to cover our bases with the blended funds with our facilities. After some discussion on this, Tom said that whether or not we should create a Governing Board could be part of the study and they could make a recommendation on that.

**5**. **2019 Budget Discussion**

Tom reported that the 2019 Preliminary Budget that he gave the Board last month is the same, that nothing has changed. He explained that the increase in fund balance of $403,771. does not include the deficit back to the county. We have to pay a minimum of $206,847., which is 5% of our total revenue. Tom said that we could pay the entire $403,771. towards the deficit or we can pay the minimum and leave the rest as a fund balance, depending on what the Board chooses to do.

Steve asked if we paid the minimum toward the deficit and left $196,924. in the fund balance and, if at the end of next year we hadn’t used it, could we then put the remaining balance towards the deficit and Tom answered that yes we could. Tom said that decision does not need to be made tonight, that it could be made next year at this time.

Tom posted the 2018 Amended Budget on the overhead. The amendments to the 2018 budget are as follows:

$406,426. Rec. Center Roof

66,313. Pump

30,000. Cowley Clean-up & Fence

20,000. Fair/Rodeo

14,000. Livestock Panels – The Livestock Committee paid the rest of the cost which was$12,000.

$536,739. Total

After a lengthy discussion of the amendments and the Contributions & Transfer revenue of $914,000., which came from TRT tax and a previous balance, the Board felt comfortable with

the 2018 Budget amendments.

Greg commented that we knew the roof was going to need to be repaired, but we did not budget for it and that there will always be unforeseen expenses come up and that is why we are asking for a tax increase as we move forward.

Pickle Ball

Danny asked for an update on pickle ball. Tom reported that he met with Steve Farrell, Mike Davis, Heber City & Midway Mayors, and he thinks the cities and Mike Davis have come to an agreement to fund 6 additional pickle ball courts west of the ones at Southfield Park. We are just waiting for the numbers that Heber City and Midway will contribute. Tom would like it to be wired for lighting, but is not sure if we want to light the courts at this point.

Don Wood asked the Board to consider that when we build any new infrastructures that we put conduit in place for networking and surveillance, as it is much more expensive to put it in after the fact. The Board agreed and asked Tom to make that part of their discussions moving forward. Greg asked if we had surveillance at the Skate Park and Tom said that we do.

Greg McPhie made a motion to continue at 6:00 p.m. for the Public Hearing.

Spencer Park 2nd the motion. Motion passes.

**Public Hearing**

Danny Goode reconvened the Parks and Recreations SSD Governing Board Meeting at 6:00 p.m. for the Public Hearing.

Danny commented that he had forgotten to excuse Board Member Crittenden earlier so wanted that to be noted.

1. **Discussion/Consideration 2019 Parks and Recreation Special Service District #21 Tax Rate Increase and Approval**

Tom reported that at the October Board meeting we talked about a tax increase from .000241. The number agreed upon by the Board was .00031, which would generate an additional $387,400. to continue the level of services that we currently provide.

Danny asked if the Board had any comments or questions for Tom, they did not. Danny then opened the Public Hearing and asked that anyone who would like to comment to please come to the front and state their name for the record.

Ken Mickelson, resident of Midway, addressed the Board and thanked them for the service they provide to the community. He commented that for himself, and in behalf of many other citizens in the community, he was speaking in support of the tax increase. He thanked the Parks and Recreation Department for providing a quality Parks and Recreation system. He explained that in the past 35 years he has worked in Parks and Recreation, in various locations throughout the United States, and recognizes a quality program. In that time, he recognized the benefits that are so important to a community. He spoke on four of those benefits:

1. Personal Health – Parks and Recreation provides a place that is accessible and affordable for everyone of all ages, regardless of their level of health and ability, where they can go to stay fit and have fun.
2. Social Value – Community members can gather together with their families or various social groups. This is what he calls the social fabric of our community and this is what Parks and Recreation provides.
3. Economic Value – Tax investment in a high quality Parks and Recreation Department can yield economic returns through sports programs, tournaments, and special events, all of which bring in tourist dollars. We have outstanding facilities that bring people to our community.
4. Environment - Providing parks and open space helps to enhance and protect the eco system of our county, such as, habitat, water and air quality, and a place for many people to connect with nature.

Ken concluded by saying that the value that transcends the amount of tax dollars invested in Parks and Recreation is the public pride and connection to our citizens in having a quality system. He confirmed with Tom that we have not had a tax increase since the district was developed in 1997 and feels that some needed maintenance and upgrades may have been deferred due to costs. He said that if we continue to defer, we will no longer have a quality system. He encouraged and asked the Board to support the tax increase.

Craig Hansen, resident of Heber, addressed the Board and commented that all government entities are a good thing for us and that we need to support them and take care of them. He said that in all the meetings he has attended in the past, each entity explains how they haven’t raised taxes in so long, but that when each entity raises their taxes then combined it can become a lot. He reported that his taxes went up $800.00 this year. He commented that he spent his whole life paying off his home and that he is now at an age, where everyone will be someday, in which he is on a fixed income. His pension doesn’t go up and he says there are many people in this county in the same circumstances. He asked that the Board consider our needs versus our wants as budgets are put together.

Dave Kennemer – He addressed the Board saying that he has no way to judge the need for a tax increase. He would like all government departments to implement tighter management controls. He made it clear he was not suggesting anything was wrong with what is being done, but commented that if year after year you observe expenses increasing and revenue declining, that could be a reason to look at a tax increase. He said that we need to find ways to increase revenue and decrease expenses moving forward. He does not have any objection to the tax increase now.

Kim Hoover, resident of Midway, addressed the Board and asked that the proposal and need for a tax increase be explained. He would like to see those people who are actually using the facilities such as the baseball and soccer fields and the Recreation Center pay more.

Danny asked if there was anyone else who would like to be heard. There was not and so he closed the public hearing.

Danny asked Tom to explain the Parks and Recreation Advisory Board and study, as he felt that would address most of the issues brought up.

Tom explained that there is an ad currently out for an Advisory Board for Parks and Recreation Special Service District. It will be a seven member board, consisting of Mike Davis, County Manager, two County Council Board members, and four at large participants. They will look into every aspect of the Parks and Recreation District. There is also going to be a study done by a professional group so that there will be a written plan in place going forward.

Tom also explained that since 2011 the District has added the Event Center Complex, the Recreation Center, and Vets Park. There is a fee to use the Event Center and Recreation Center and for tournaments that are held at our parks, however the parks are open to the public to use for free. So the operational, maintenance, and staffing for these additional facilities is where the major portion of the tax increase is going.

Tom said that part of the study with the Advisory Board is a Capital Facilities Plan. We have four major facilities: the Recreation Center, the Event Center Complex, which takes in the outdoor arena and fairgrounds, Southfield Park, and Vets Park. A major concern is how we are going to pay for major renovations and upkeep of these facilities. The outdoor arena seats are going to need to be changed. The portable floor at the Event Center had a 10 year life span and we are on year 14. The Recreation Center turfs are going to need to be replaced eventually and so we need a fund in place so we can do repairs and improvements when needed. He stressed that we are not just replacing things because they look bad, but because we need to keep our facilities safe. Safety is our #1 priority.

Tom gave a brief history of the Parks and Recreation District and explained that in the 1997 bond election a tax rate of up to .0004 was passed to operate and maintain the district. The tax increase that is being proposed now puts us at .00031, so in 21 years of operation we still have not come close to maxing out this district.

Danny addressed Craig Hansen’s concern of needs vs. wants. Danny explained that is why we are doing the Advisory Board to look at the programs and events we are providing and see if it fits within our mission and see if the benefits are worth the costs.

Craig asked if there would ever be a time that the district would be self-sustaining and Danny replied that he was not on the Board when it was started, but that it was meant to be a service for the community, not a profit center or to actually break even. Tom explained that all of our programs such as, Soccer, Jr. Jazz, Baseball, etc. pay for themselves, but do not cover the programmers and staff needed to run those programs.

The Recreation Center breaks even, but we only have 3 full-time employees running a 135,000 sq. ft. building. The Event Center Complex and our parks cost approximately $500,000. per year and generates approximately $200,000. to $250,000., but the economic value is extremely important for our tax base up town. Our district is a huge player in the TRT tax. Tom said that this would be something the Advisory Board could also research to discover how much the district adds in TRT tax.

Gordon Mortensen commented that he does not have an opinion on the tax increase because he is having trouble understanding the proposed budget, especially what all is included in the Park & Recreation line.

Tom explained all the various costs that compile that number, such as: employees, memberships, public notices, office maintenance and supplies, IT, equipment maintenance, buildings and grounds maintenance, (which is the biggest one), utilities, improvements, special events, etc. There is a detailed breakdown on the website. Tom offered to give a copy of the breakdown if anyone wanted one. He reiterated that the tax rate at the end of 2018 is .000241 and he is proposing that the tax rate be increased to .00031 in 2019.

**2.** **Hear public comment and approve the 2019 Budget and Amendments from the 2018 Budget**:

Tom put the 2018 Amended Budget on the overhead. These are expenditures that were not budgeted for. He explained each item, which he previously explained in detail in the Wasatch County Parks and Recreation SSD #21 Governing Board Meeting. (See expenditures and amounts on Page 3 under 2019 Budget Discussion).

In summary to balance the budget:

Contribution & Transfers amended from $166,000. to $914,000.

Parks & Recreation amended from $2,635,485. to $3,323,485.

County Fair amended from $100,000. to $140,000.

Rodeo amended from $125,000. to $145,000.

Tom reiterated that these were expenditures that were needed, but not in the budget and were funded by other sources, primarily TRT tax.

He reminded the Board, and informed the public, that the Livestock Committee paid $12,000. on the livestock panels and then Mike Davis covered the additional cost through TRT tax.

Danny asked the Board if they had any questions or comments. They did not and so he asked Tom to address the proposed 2019 Budget.

Tom put the 2019 Preliminary Budget on the overhead. He reported that this Preliminary Budget was presented in October and November and it has not changed.

Expenditures: $4,136,926.

Revenue: $4,136,926.

We have an increase in Fund Balance of $403,771. Tom explained that part of that will go to the deficit to the county and the remainder will be left in the fund to be for the Governing Board’s discretion to either use for repairs or pay more on the deficit.

Danny asked the Board if there were any questions or comments, there were none, so he opened up the meeting for public comment regarding the 2018 Budget Amendments and the proposed 2019 Budget. There were no public comments, so Danny closed the Public Hearing.

**3. Resolution 18-04 adopting the Wasatch County Parks and Recreation Special Service District #21 Certification of the 2019 Budget**:

Tom read Resolution 18-04, dated December 11, 2018, approving all budgetary funds. Danny returned to the Board for their action and pleasure. Greg clarified that adoption of the budget includes the tax rate and all increases proposed. Tom replied that was correct.

Greg McPhie made a motion to adopt Resolution 18-04 to approve the Wasatch County Parks and Recreation Special Service District #21 2019 Budget as proposed.

Steve Farrell 2nd the motion. Motion passes unanimously.

Greg McPhie made a motion to approve the Amended Budget for 2018 as outlined, Resolution 18-05.

Spencer Park 2nd the motion. Motion passes unanimously.

Danny asked if there were any questions or comments. There were none. Tom thanked the Board and the public.

Spencer Park made a motion to adjourn.

Greg McPhie 2nd the motion. Motion passes.

Public Hearing Meeting was adjourned at 6:47 p.m.

\*Kendall Crittenden was in attendance for the last half of the Public Hearing.

Minutes prepared by Laurie Duke