

North Utah Valley Animal Services Special Service District
Pending Monthly Board Meeting Minutes
March 30th, 2023
87 East 100 South, Pleasant Grove, Utah 84062

BOARD MEMBERS PRESENT:

American Fork- Josh Christensen
Eagle Mountain- Tara Freeman
Highland- Scott Smith
Lindon- Orlando Ruiz
Orem- Mike Paraskeva
Pleasant Grove- Carl Nielson
Utah County Sheriff's Office- Yvette Rice
Vineyard- Don Overson

MEMBERS ABSENT:

Alpine-
Cedar Hills- Jenny Peay
Saratoga Springs- Owen Jackson
Lehi- Chad Ray
Utah County- Steve Alder
Utah County-

OTHERS PRESENT:

Director- Tug Gettling
Legal Counsel- Laramie Merritt
Minutes- Janeen Olson
Ian Robbins- Osborne Robbins & Buhler, PLLC

OTHERS ABSENT:

OPEN THE MEETING:

1. Welcome and Introductions: Chair Yvette Rice opened the meeting at 10:10 a.m., by welcoming the board members and calling to attention a visitor from Orem City. Mike introduced Kris Pease, noting he has about 20 years of experience as an animal control officer, the last five with Orem City. Mike advised they will be getting Kris certified as a board member and familiar with the processes over the next year and he will eventually be taking over his position on the board monthly, leaving Mike to still deal with the financial end of things through Orem City and Tug's evaluation process. Kris advised he is excited to see how this side of the animal services works as he has been on the other side out in the field.
2. Prayer/Thought- Offered by Scott Smith

WORK SESSION ITEMS:

1. No Items.

PUBLIC HEARING ITEMS:

1. No Items.

GENERAL MEETING ITEMS:

1. **Public Comment-** None in attendance.
2. Review and approve Minutes from the February 23rd, 2023, North Utah Valley Animal Services Special Service District (NUVASSSD) Board of Directors Meeting- Scott Smith moved to approve the Minutes from the February 23rd, 2023, NUVASSSD Meeting. Mike Paraskeva seconded the motion. All were in favor and the minutes were approved.

3. **Agreed Upon Procedures-** Ian Robbins thanked the group for allowing him to come and explain the Agreed Upon Procedures. He also extended his thanks to Tug for providing the needed information and Orem City who handles the finances, explaining coordination between those two is one of the things he checks on. Ian stated the report is developed by the Utah State Auditor's Office and Osborne Robbins & Buhler come in and perform the procedures and he is happy to report they were able to perform those procedures without exception and did not find anything that needed to be addressed before the Board. In going over the handout, he mentioned a newer item #23 - Government Fees, that the Auditors Office is paying specific attention to, Ian stated they are looking at how reasonable are the fees, how they are set up and collected. As he reviewed this item and looking at how the shelter comes up with the fees, how it is budgeted for, how fees are given to other cities and how it is charging for animal collection, Ian stated it is all very transparent and wanted to offer his congratulations and thanks for making it very easy to review. He also advised the Board if they had any questions or concerns, they could reach out to him at any time. Yvette and Laramie also expressed thanks to Tug and Orem City for their efforts to help accomplish a positive Audit each year.
4. **Financial Report-** Tug noted he reviewed the Check Register, and it was pretty standard with no unexpected charges and the larger items were for utilities and animal services (hospital and vet expenses) which were both expected. Moving on to the Monthly Financial Statement, Tug stated it looks disproportionate due to a few figures in Income and wanted to address some interesting line items- Animal Licenses shows 224%, Donations at 308% and Interest Earnings at 583% and 586%, he explained the licenses and donations are still reflecting totals from the issue with Xpress BillPay. Tug provided an update, stating that with the help of Orem City, we now have a working page created on our website. Which means we can move away from Xpress by taking online payments that will route through our till system, however that just happened this week and they wanted to do some beta testing on it first before making it live. In regard to the Interest Earnings line items, we have no control over that it is just the amount that was earned. Moving down to the Expenses, as it has been for several months, our biggest concern is still the Salaries & Wages -Temporary (part timers) showing at 96% and we are only 73% of the year gone by. However, the Salaries & Wages for Permanent is only at 67% and Benefits at 58% so we can likely adjust those to compensate for each other. Supplies- Medicine & Vaccines is up still due to the number of animals we have had. A few others in the 80% are Equipment, Telephone & Communications, and we still have a few expenses not reflected in that from this week since once again our internet has been down for three days. Tug advised our internet provider is supposed to be here today to fix it, however if this continues, we are going to have to start looking at other options. It was only a month ago that it was down for several days also and without that service it halts a lot of critical parts of our job.

He also noted that the one of the two make up air units on the roof is not functioning, he has been working with Derek at the County who stated it needed a new drive, the whole unit is scheduled to be replaced next year and at that time they will put the new drive into the replacement unit. He still needs to get some clarification on whether this is the same unit slated to be replaced in the 2024-2025 budget and what the cost will be.

Tug went over the pre-tentative budget handout and provided a ballpark figure of the amount each city would owe if we went with the proposed 2023-2024 budget column on the handout. Reminding everyone that there will be a few changes to the tentative budget and then hopefully none from the tentative budget to the final. He wanted to point out a few things, if you look under the Revenue column, last year it reflects for Appropriated Surplus-Expenditure of Retained Earnings the \$60,000 that was used, he has not done that with this year. If you go further down in the Expenses column you see the Capital Outlay at \$10,000, which is the amount we put in every year moving up to \$250,000, which we should reach within a couple of years. That fund is set aside for larger expenses, such as the air handler, those monies then have to be replaced within five years. Tug explained how putting aside \$40,000 for a Roof Replacement Fund, \$25,000 for Air Handler Unit Replacement Fund, \$10,000 for a Vehicle Replacement Fund (started last year), makes it easier when trying to recoup the large amount. Tug stated he was

asking for the board's recommendation on whether or not to utilize more of the retained earnings account or put smaller increments into the budget each year to help spread out the larger expenses. Tug also presented preliminary costs for each of the cities using the proposed budget, reminded everyone it is a ballpark figure and may go down depending on how they decide to use the funds. He also advised depending on what happens with the air handler this week and if we end up replacing the whole thing or part of it that will also affect the outcome of the budget, at this point he just doesn't know. A request was made for Tug to go over the rules and procedures for what the capital outlay is, and he explained that. He also reviewed why the revenue from animal surrender fees is not going up and the protocol for what they will accept right now. Tug also stated they are looking at making an increase in some fees and will probably do a fee proposal at the tentative budget meeting. He has made price comparisons with other shelters, that along with the costs of items in general continuing to rise, Tug is trying to balance what is fair for the public as well as the cities paying for it, and still provide services for the citizens. Kris inquired about doing city events for reduced fees for licensing and educating the public on what is required of pet owners. Tug quickly reviewed some of the efforts taken by the shelter over the years by doing those types of community outreach events, he also went over how much uncollected revenues could be collected by the cities for licensing and the different strategies that can be used to obtain those. He also mentioned that in order to do some of those types of clinics you need a licensed veterinarian and advised the veterinarian we have used in the past will be retiring in April of this year and he has begun the process of trying to find another one. Tug also gave statistics on using a fix it tickets type of approach for first time offenders of not having their dog licensed and a fine if they don't. However, with the district we are multi-jurisdictional, and each city has their own policies, procedures, and ordinances and handles animal control differently. Tara mentioned with such an influx of citizens moving from other states it would be a good reminder to put something out to the cities in newsletters or social media of what is expected and how to obtain the licenses. Tug advised he has sent to the board in the past that type of information that they could use to push out to the citizens, noting historically he doesn't see a large uptick after it is done, but it doesn't hurt to re-educate. He also pointed out that the proposed budget for licenses was increased by \$25,000, with us now collecting online. A conversation was had regarding putting a QR code with benefits and steps to license pets out to the cities now that it can be done online, Tug will send that out to the board. Further discussion was had regarding the benefits of fix it tickets and each cities involvement in making it successful, as well as creating a model ordinance for each city to use and adopt.

Additional conversation was had on the pros and cons of whether to utilize more of the capital outlay now, the difference of putting smaller amounts into separate funds now or paying it back after it has been expended, what the vehicle replacement fund was for was had. It was determined that clarification was needed on if the \$250,000 for the capital outlay was a cap or just the minimum amount required. Tug stated the retained earnings have no cap, but he would reach out and get an answer on the capital outlay. He also mentioned although these are large expenses, it is not something that could be avoided, the building is over 17 years, and this is normal wear and tear and really the first time we have had to utilize our capital expense fund. Mike mentioned that while the budget is going up, it is a smaller amount than if we wait and pay it all in three years. Tug agreed and said it is just up to the board on how long they want to spread it out over the years, we can pay now or take it out in a lump sum and have five years to pay that off. Mike also mentioned we have to keep in mind that doesn't factor in any unknown expenses that could occur in the next five years. Yvette requested that Tug get further clarification on if there is a cap on what can be put into the capital outlay annually and if these additional replacement funds can be used as a work around and exactly what

are our caps. Tug advised he will get that answer from Brandon and depending on what that answer is will help determine the budget, noting this pre-tentative budget should be worse case scenario.

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Mike advised we need to be on the same page so that Tug is able to prepare the Tentative Budget for the next meeting, we still need to address if we are fronting the money or spreading it out over the five years. Tug advised that is a good point and maybe we should propose if that scenarios and depending on what answers he gets he can plan accordingly. For example, if we find out we cannot put more than \$250,000 in capital outlay or money aside we need to find out how we should proceed, or if there is not a cap how does the board want to move forward. Tug mentioned that when he asked Brandon about the vehicle fund last year, he was the one that said it could be done and added the line item so the additional funds may be approved as well. Mike advised that Orem does it the same way, theirs is called a "sinking fund" and there is a cap, however the money is set aside for several years for the intended purchase, once the purchase is made the funds come out of that specific fund. Yvette inquired what is the feeling of the board regarding the additional funds. Orlando feels that since we have until 2025 to get to the minimum for the capital outlay, we should still be building that up and keep it where it is at. Don inquired if we do have a cap, would the additional funds be added to the capital outlay to get us to the remaining goal. Tug stated we could do that, or if we find out we can only have the \$250,000 we could also just continue to only put in the \$10,000 each year. We just need to confirm if we can have additional funds set aside, or like Josh mentioned get our capital outlay up to \$250,000 and spend it out of that, sooner than later so the price on the items don't increase. Or do we do like Orlando mentioned and pay towards it now, Mike agreed adding that we have to factor in unknown expenses and Yvette reminded them the capital outlay is really set aside for catastrophic occurrences and caution should be considered when you are depleting that. Tug advised he appreciated all the input and everyone trying to come up with what works best and understands that they all need to go back to their cities. Orlando noted that the cities were advised last year that it would go up this year and that the cost of everything has increased, so it shouldn't be too much of a shock. Further conversation was had whether to use the retained earnings instead to pay for the additional funds of \$65,000 this year and the consensus of the board was in agreement. Tug also mentioned the possibility of having to pay for the repair or replacement of the air handler unit out of this current budget year after reading the correspondence he just got back from the County, based on that it was decided to have that come out of the retained earnings. Yvette stated that based on the information that was just received she would entertain a Motion for an emergency expenditure of funds. Mike Paraskeva moved to authorize the Director, Tug Gettling to access the Retained Earnings Fund to use to replace the air handler unit that has gone out up to an amount not exceeding \$75,000, if it goes over that amount an Emergency Meeting would be required to discuss options at that point. Scott Smith seconded the motion. Roll Call: Yvette Rice-Yes, Scott Smith-Yes, Don Overson-Yes, Orlando Ruiz-Yes, Mike Paraskeva-Yes, Carl Nielson-Yes, Josh Christensen-Yes, Tara Freeman-Yes. All were in favor, Motion carries. Once he knows more about the air handler and costs, Tug will present his recommendations at the next meeting regarding the \$40,000 for the roof replacement and if that was taken out of the retained earnings or not, by then he should have a better understanding of how much can be added in the capital outlay and the guidelines for the additional funds.

5. Shelter Progress Report- Tug Gettling

- Personnel- We are losing three part-time employees, two are moving, the other took full-time employment elsewhere, he has already started the replacement process.

- City Participation- County still has not paid.
- In regard to the higher number of animals last year, Tug pulled some statistics and last calendar year we had 634 animals, this year we have 803 so they are not going down but up.
- Tug wanted to confirm with legal counsel if we could add as a requirement when getting a cat from the shelter, they have to license it? Some cities have those as a requirement, others do not, Laramie advised that is not allowed without some type of legislative action.
- Tug requested if Yvette could request Utah County Work Diversion schedule maintenance on the grounds on a weekly or regular basis.

6. **Discuss reimbursement/restitution regarding animal hoarding case-** Laramie reviewed how the original hoarding case with the Bakers came about and how NUVAS took 26 of those dogs for the South Shelter, SUVAS. He briefly went over the back and forth between Provo City, Utah County and SUVAS and who is responsible to pay the approximate bill of \$15,000 to NUVAS until restitution can be made. A request was made to the Board on how they want to go forward with the unresolved amount and if further litigation should be done. A discussion was had and also the desire to get our bylaws updated and policy in place, until then we will not be accepting any out of District animals. Yvette suggested the Board provide a written statement to the cities and the County articulating that going forward this is the expectation of the Board and what the policy is. Although this has always been our protocol, nothing was put in place to legally hold anyone responsible, as such our cities are left holding the bill. Laramie advised he has a public service intern starting in July that could provide services for free, so he could have them start working on a draft.
7. **Other business-** Mike advised Orem City has changed their evaluation process to go along with the employees anniversary date, he will still reach out a few months prior to seek feedback for the Directors eval. He requested a closed-door session be added to the May Agenda for the merit increase.

A reminder that we need a Quorum for the next meeting for the Tentative Budget.

8. **Adjourned-** Scott Smith moved to adjourn the meeting. Don Overson seconded the motion; all were in favor and the meeting was adjourned at 12:04 p.m.

CLOSED DOOR SESSION:

1. No Items.

Next Meeting: April 27th, 2023 @ 10:00 a.m.