

South Davis Recreation District Administrative Control Board Meeting

April 17, 2017, at 3:45 p.m.
at the Recreation Center

Attendance: **Board Members**

Commissioner Bret Millburn, Davis County
Mayor Len Arave, North Salt Lake
Mayor Rick Earnshaw, Woods Cross
Councilmember Tami Fillmore, Centerville
Mayor Ken Romney, West Bountiful
Mel Miles, County Representative
Marti Money, County Representative **arrived at 3:58pm*

Others:

John Miller, Executive Director
Cory Haddock, Recreation & Ice Director
Todd Godfrey, Attorney
Heidi Kearsley, Customer Service Manager
Marcie Burrill, Aquatics Programs Manager
Kathleen Steadman, Aquatics Operations Manager
Steve Rowley, Keddington & Christensen
Tyson Beck, Clerk
Mary Gadd, Office Manager
Haley Turner, Recreation Specialist
Scott McDonald, Aquatics Director

WELCOME

Chairman Rick Earnshaw opened the meeting at 3:49 p.m.

CITIZEN MATTERS

None.

MINUTES OF JANUARY 9, 2017 BOARD MEETING APPROVED

Mr. Miller requested a change in Election of Vice-Chair to be “Mrs. Money” from “Mrs. Miles.” Councilmember Fillmore requested a change under November Financial Statement Reviewed to read “...Fillmore inquired that with expenses lower than expected...” from “...Fillmore inquired that with expenses are lower than expected.” In the same paragraph a sentence to read “...funds can be moved into Reserved for Repair and Replacement...” from “..funds can be moved into Repair for Reserve and Replacement.”

Corrected minutes of the Administrative Control Board meeting held on January 9, 2017, was approved on a motion made by Councilmember Fillmore and seconded by Commissioner Millburn. Board Members Millburn, Arave, Earnshaw, Fillmore, Romney and Miles voted “aye.”

JANUARY, FEBRUARY AND MARCH EXPENDITURES APPROVED

John Miller noted the following expenditures: Bountiful City, in the amount of \$6,264.65, for pavement repairs to the parking lot. Olympus Insurance Agency, in the amount of

\$107,728.00, for the annual insurance policy.

Commissioner Millburn inquired about the expenditure to BMI-Broadcast Music, in the amount of \$927.67. Mr. Miller explained that is the licensing fees to play music in the facility and Ice Shows throughout the year.

Mr. Miller continued with Otis Elevator Co, in the amount of \$5,088.24, for annual service fee. Global Surveillance, LLC, in the amount of \$8,194.00, for upgrading six of the security cameras. Contemporary Image, in the amount of \$9,405.00, for Thanksgiving Race t-shirts. Symbolarts, LLC, in the amount of \$3,325.00, for Thanksgiving Race medals.

Mrs. Money arrived

Total expenditures of \$478,388.63 for the period of January 1, 2017 to January 31, 2017 was approved on a motion made by Commissioner Millburn and seconded by Mayor Romney. Board Members Millburn, Arave, Earnshaw, Fillmore, Romney, Miles and Money voted “aye.”

Mr. Miller noted the following expenditures: Colorado Time Systems, in the amount of \$2,805.00, for timing pads for the pool. Innovative Timing Systems, in the amount of \$1,045.00, for timing chips for the races. Small Ambassador, in the amount of \$5,432.94, for bags for race participants. Artistic Productions, in the amount of \$2,760.00, for speakers for events like swim meets. Firetrol Protection Systems, in the amount of \$5,724.50 and \$3,442.50, for alarm panel repair.

Total expenditure of \$396,215.27 for the period of February 1, 2017 to February 28, 2017 was approved on a motion made by Mayor Arave and seconded by Commissioner Millburn. Board Members Millburn, Arave, Earnshaw, Fillmore, Romney, Miles and Money voted “aye.”

Councilmember Fillmore inquired about the expenditure to the IRS, in the amount of \$302.23, that seems to be caused by a bank error. Mr. Beck explained that US Bank restricted the IRS from withdrawing funds and that District staff had determined that it wasn't worth the effort to fight US Bank to pay for that error. It was suggested that a letter to the IRS explaining the situation may have gotten the fine removed.

Mr. Miller noted the following expenditures: Utah Jazz, in the amount of \$30,793.00, for the Spring 2017 season. I.D. Edge, Inc., in the amount of \$2,360.80, for a new membership card printer. KAP7 International Inc, in the amount of \$3,035.20, for swim suits for the water polo team. Lifeguard Store, Inc., in the amount of \$1,517.44, for lifeguard uniform items. USA Football, Inc., in the amount of \$11,925.00, for jerseys and belts.

Total expenditures of \$425,457.88 for the period of March 1, 2017 to March 31, 2017 was approved on a motion made by Commissioner Millburn and seconded by Councilmember Fillmore. Board Members Millburn, Arave, Earnshaw, Fillmore, Romney, Miles and Money voted “aye.”

2016 FINANCIAL HIGHLIGHTS

Tyson Beck reported the District's net position has decreased \$133,178 from the previous year. The District saw operating revenues increase by \$127,813 and non-operating revenues decrease by \$76,665 for a net increase of \$51,148 in total revenues. The District saw operating expenses increase by \$213,213 and non-operating expenses decreased by \$28,887 for a net

increase of \$184,326 in total expenses. Mr. Beck reported on the net income history of the District stating that year by year it is declining, due to no increase in rates and higher operating costs.

Mr. Beck reported that the equity, or net position, of the District is at \$12,462,860 with \$4,259,737 in Capital Assets (non-spendable) and \$8,167,123 in Unrestricted (spendable). Mr. Beck reminded the Board that spendable cash has the following restrictions; \$2,500,000 for Reserve for Repair and Replacement, \$1,319,150 for debt service, \$1,378,394 for 4 months operating expenses, \$195,000 for 2017 capital expenditures and \$2,909,000 for the next 9 years capital expenditures. The District would have a \$187,966 cash deficit, if no changes to fees occur in the coming years.

A discussion on analyzing the District's rates and fees and the recommendation of increases was had.

2016 FINANCIAL AUDIT REPORT

Steve Rowley, from the auditing firm Keddington & Christensen LLC, commended the staff and management on the cooperation and timeliness of getting reports to the auditors. Mr. Rowley presented a report that the financial position and cash flows for the 2016 calendar year ended in accordance with generally accepted accounting principles.

Mr. Rowley reported that internal controls over financial reporting were looked at but not to express an opinion on the effectiveness of the District's internal control. Mr. Rowley continued that the State Auditing Office requires they look over specific items that the District participates in. Mr. Rowley reported that there was one instance of non-compliance in the Open and Public Meetings Act where a Board Meeting was not posted with 24 hours' notice on the Utah Public Notice website. The District staff prepared a response and was given to the auditors.

The 2016 Financial Audit Report was accepted on a motion made by Mayor Romney and seconded by Commissioner Millburn. Board Members Millburn, Arave, Earnshaw, Fillmore, Romney, Miles and Money voted "aye."

DISCUSSION ON CENTERVILLE COMMUNITY PARK EXPANSION

Mayor Cutler reported that the project is costing more than originally planned. Centerville was initially seeking use of \$500,000 but after meeting with many professionals they estimated \$800,000 would be needed. Mayor Cutler also reported that a final agreement between the City and District had yet to be reached.

Mrs. Money reported that the subcommittee has found that it is a lack of priority use on fields that is the current problem for growing the District's programs. Mr. Godfrey reported that the back and forth between the City and the District has been on the priority use rights and he cautioned the District that they wouldn't have the funds for any unexpected capital need.

Mr. Haddock reported that Centerville's Park Director, Bruce Cox, has already promised field space and time to other organizations on the City's existing fields. Mayor Earnshaw said a motion couldn't be made today and that he'd rather have the sub-committee meet again and then bring it back to Board for a decision. Mayor Cutler said if the District has the intention of loaning the full amount that Centerville's attorney, Mr. Godfrey, Mr. Haddock and Mayor Cutler will work out the agreement and then meet with the sub-committee again when proposals come

into the City.

LEGISLATIVE UPDATES

A motion to table the report on the legislative session was made by Mayor Romney and seconded by Mayor Arave. Board Members Millburn, Arave, Earnshaw, Fillmore, Romney, Miles and Money voted “aye.”

MEMO ON APPROVAL OF SLURRY SEAL IN PARKING LOT

Mr. Miller reported that Bountiful City had just went through an RFP process for their asphalt work and awarded the bid to M&M Asphalt. Mr. Miller recommends that the District use M&M Asphalt for the parking lot. Mr. Miller reported that the 2017 Capital Budget has \$25,000 budgeted for the project and the final cost is unknown but it wouldn't be more than the \$25,000 budgeted.

A motion to approve M&M Asphalt bid was made by Mayor Romney and seconded by Mr. Miles. Board Members Millburn, Arave, Earnshaw, Romney, Miles and Money voted “aye.”

MEMO ON APPROVAL OF WIBIT

Mr. Miller reported to the Board that the current play inflatable is 5 years old now and is in need of replacement. Mr. McDonald reported to the Board that there are not many commercial suppliers of this type of equipment. The bids received were:

	25 Yard AquaTrack	Deep Water Climb, Flip, Slide Inflatable
Recreaonics -	\$10,970.00	\$12,985.00
CRS -	\$9,250.00	\$8,840.00

The 2017 Capital Budget has \$20,000 for this purchase. Staff recommends that the Deep Water Climb, Flip, Slide Inflatable be purchased from Recreaonics and the 25 Yard AquaTrack from CRS for a combined approximate total of \$19,810.00.

A motion to approve purchase of the two pieces of equipment was made by Commissioner Millburn and seconded by Mrs. Money. Board Members Millburn, Arave, Earnshaw, Fillmore, Romney, Miles and Money voted “aye.”

FACILITY EVENTS

John Miller reported on recent and upcoming events at the Recreation Center:

- Fitness Lecture Series – Jan. 19th with BJ Christenson presenting nutrition for athletes
- Winter Running Class – Jan. 21st free to Sweetheart Race participants
- Aquatic Training Courses for Lifeguards and Swim Instructors
- Sweethearts 5k Race – Feb. 11th

OTHER MATTERS

Next Board meeting will be June 19, 2017 at 3:45 p.m.

Meeting adjourned at 5:16 p.m. on a motion made by Commissioner Millburn and seconded by Mayor Romney.

****approved on June 19, 2017 with corrections****