

# South Davis Recreation District Administrative Control Board Meeting

November 21, 2016, at 3:45 p.m.  
at the Recreation Center

Attendance: **Board Members**

Mayor Rick Earnshaw, Woods Cross  
Mayor Len Arave, North Salt Lake  
Mel Miles, County Representative  
Mayor Randy Lewis, Bountiful  
Councilmember Tami Fillmore, Centerville  
Commissioner Bret Millburn, Davis County *\*arrived at 4:18 p.m.\**

Others:

John Miller, Executive Director	Cory Haddock
Todd Godfrey, Attorney	Haley Turner
Tyson Beck, Clerk	Mary Gadd
Galen Rasmussen, Treasurer	Scott McDonald
Heidi Kearsley	Tom Lund

## **WELCOME**

Chairman Rick Earnshaw opened the meeting at 3:50 p.m. and excused Marti Money and Mayor Romney.

## **CITIZEN MATTERS**

None.

## **MINUTES OF OCTOBER 17, 2016 BOARD MEETING APPROVED**

Councilmember Fillmore requested the line in “2017 Budget Review” of “...Fillmore asked if any adult that is employed has a background check performed” be changed to read “...Fillmore asked if all adults that are employed has a background check performed.”

Corrected Minutes of the Administrative Control Board meeting held on October 17, 2016, was approved on a motion made by Mr. Miles and seconded by Councilmember Fillmore. Board Members Earnshaw, Arave, Miles, Lewis and Fillmore voted “aye.”

## **GENERAL LIABILITY, PROPERTY INSURANCE & WORKMAN’S COMPENSATION**

Darrell Child, representing Olympus Insurance, presented an annual review of the District’s insurance program. Mr. Child explained that the best cost proposal is a renewal with American Alternative and a renewal with Worker’s Compensation.

Olympus Insurance provided an analysis of a change in rate of -2.47% combined between American Alternative and Worker’s Compensation, partly from a good partnership with the companies, the District’s exposure, a change in property values and payroll criteria. Mayor Earnshaw inquired about the 8.40% in crime exposure and if that meant the District experiences

a lot of crime. Mr. Child answered that figure is derived from the number of employees to the amount of total revenues received.

A motion to renew with American Alternative and Worker's Compensation was approved on a motion made by Mr. Miles and seconded by Councilmember Fillmore. Board Members Earnshaw, Arave, Miles, Lewis and Fillmore voted "aye."

### **OCTOBER EXPENDITURES APPROVED**

John Miller noted the following expenditures: Bicin Sales, in the amount of \$2,046.38, for shower soap. CEM Aquatics, in the amount of \$6,283.73, for chemicals and repair targets. Coach Background & Screening Services, in the amount of \$1,063.55, for background checks. Finn-Wall Specialties, in the amount of \$32,070.00, for replacing the finishing of the aquatic flooring.

Mayor Arave mentioned that the Fire District pays about half the amount for their accountants when the District is paying Bountiful City, \$11,125.35 for the month, and inquired what the difference is from. Galen Rasmussen answered that it includes services for accounting, human resources, computers and phones and accounts payable. Tyson Beck mentioned that the Fire District accountants just performs a month end and year end reconciliation and employs their own accounts payable clerk. Councilmember Fillmore suggested the District look into the possible savings of hiring a full-time employee to cover those job functions.

Mr. Miller continued with Refrigeration Supplies, in the amount of \$2,194.27, for replacement of a roof top unit. Arrow Cleaning Services, in the amount of \$1,620.00, for cleaning the pool deck. Symbolarts, in the amount of \$3,975.00, for race medals. Contemporary Image, in the amount of \$4,069.50, for race shirts. Skinny Fische Apparel, in the amount of \$1,181.25, for softball shirts.

Total expenditures of \$332,248.25 for the period of October 1, 2016 to October 31, 2016 was approved on a motion made by Mayor Earnshaw and seconded by Mayor Arave. Board Members Earnshaw, Arave, Miles, Lewis and Fillmore voted "aye."

### **CENTERVILLE PARK DISCUSSION**

Mayor Paul Cutler and Bruce Cox shared with the Board an opportunity to accelerate some new facilities for youth programs and to residents. Mayor Cutler said what is planned at Centerville Community Park is two new multi-purpose fields, additional parking and if funds are available installing lights at certain fields.

*\*\*Commissioner Millburn arrived\*\**

Mayor Cutler continued that last year voters generously passed a RAP tax, of which 85% is designated to parks and trails. Mayor Cutler said it is estimated to be \$600,000 to put in parking and trails, and another \$455,000 to put in top soil and irrigation. Centerville City has almost \$300,000 in park impact fees they've been saving for this project and another \$350,000 each year from the RAP tax. Mayor Cutler said they'd like to do all construction on the fields next summer so they would be available to use by the following year. Between the impact fees and RAP tax the projected cash shortfall in funding is estimated to be \$400,000-\$450,000. Mayor Cutler proposed that the District's reserve funds could be used to fund this project with payback from the Centerville City over time from the RAP tax and impact fees. Mayor Arave

asked if the interest would be paid back and Mayor Cutler said they would be willing to do that if it was a condition. Mr. Cutler stated if it was something of interest to the Board they would love to sit down and figure out how to make it work.

Chairman Lewis said an action couldn't be decided today. Mr. Godfrey expressed a concern about the legal structure of a project like this and would need to look into the possibility. Mr. Miller reminded the Board that field space is becoming difficult for the District to find and having priority to the fields would be a positive thing. Chairman Lewis asked how soon Centerville needs to have an answer and Mayor Cutler replied that funds wouldn't be needed until next summer but if indication of assistance could be given in January. Chairman Lewis asked Mayor Earnshaw and Mr. Miles to work with Mayor Cutler and Mr. Godfrey and report back to the Board.

### **RESOLUTION AND APPROVAL OF CREDIT CARD PROCEDURE**

Mr. Godfrey, with assistance from District staff, put together a proposed policy on the use of District's credit cards for Board review and revision, if necessary. The objective is to make sure there is a reasonable constraint on the use of the cards and that one person isn't controlling use of the cards. Mr. Miller stated that only him, Tom Lund and Scott McDonald have credit cards. Mayor Arave inquired about the pay process of receiving an invoice before paying with the credit card and how practical that is. Mr. Godfrey said it is intended to have staff follow procurement policy in regards to bid process and limits. Mayor Arave suggested the phrasing be changed. Mayor Arave inquired who is the "Division Manager responsible for approving invoices shall change yearly" and Mr. Miller said it is new and Cory Haddock would be appointed to it. Mr. Godfrey offered to change "Division Manager" to be a staff member with enough managerial responsibility and has access to the Board.

Mayor Arave mentioned that on another Board he serves on they receive a list of all credit card purchases and who it was purchased by. Mr. Miller said the breakdown is something that can easily be completed. Mr. Miles asked that the line in the fourth paragraph of "Purchases with the District credit card will consist of" be changed to read "Purchases with the District credit card will be limited to". Mr. Godfrey said that is not a problem to change. Councilmember Fillmore offered an idea that one staff member approves the purchase and that two staff members will verify the credit card statement before it is paid.

A motion to approve Resolution 2016-03 Adopting a Policy Relating to the Use of a District Credit Card with stated changes was made by Councilmember Fillmore and seconded by Mayor Earnshaw. Board Members Earnshaw, Arave, Miles, Lewis, Fillmore and Millburn voted "aye."

### **ACTION ON AND APPROVAL OF INDEPENDENT AUDIT FIRM PROPOSAL**

Mr. Beck reported to the Board that bids were solicited from CPA firms and 6 proposals were received. A committee of Mr. Beck, Mr. Rasmussen and Mr. Miller evaluated the proposals. The committee recommends that the District Board accept the proposal from Keddington & Christensen LLC for the District auditing services.

Mayor Arave asked what was wrong with Greg Ogden, CPA which was the lowest bid. Mr. Beck replied that based off of experience alone, Mr. Ogden came out 6th of 6. Commissioner Millburn, Mayor Arave and Councilmember Fillmore wanted to know why not recommend Woods, Richards and Associates as they were only 2 points below Keddington &

Christensen. Mr. Beck said Woods, Richards and Associates are definitely the next best option but they lack the Special District experience, Keddington & Christensen has four times the experience to Woods, Richards and Associates.

Mayor Arave made a motion to approve Woods, Richards and Associates to be the District's auditing firm, seconded by Commissioner Millburn. Board Members Arave and Millburn voted "aye" and Board Members Fillmore, Lewis and Miles voted "nay."

Councilmember Fillmore made a motion to approve Keddington & Christensen to be the District's auditing firm, seconded by Mr. Miles. Board Members Lewis, Fillmore and Miles voted "aye" and Board Members Arave and Millburn voted "nay."

Councilmember Fillmore inquired if this could be moved and voted again in December's meeting. Mr. Beck stated that preliminary work is to begin in December. Mr. Beck added that he respects Woods, Richards but having worked in the auditing field that not all auditing firms perform the same work. With the limited experience, Mr. Beck has with Woods, Richards that the level of detail is not the same as Keddington & Christensen. Mr. Millburn inquired if the estimated hours of audit difference between the firms reflects that and if the previous firm's hours were close to that. Mr. Beck answered that he believes almost all of the firms underbid their hours as a gimmick and that the range of hours is probably closer to 150 hours.

Councilmember Fillmore re-made her previous motion to approve Keddington & Christensen to be the District's auditing firm, seconded by Mr. Miles. Board Members Lewis, Fillmore, Miles and Millburn voted "aye". Board Member Arave voted "nay."

### **TENTATIVE APPROVAL OF THE 2017 BUDGET**

Mr. Miller reported that the only changes from the previous meeting were additional accounts for better accounting, the Capital Budget was lowered from \$210,000 to \$195,000 and admission revenues were lowered to balance the Budget.

Board Member Earnshaw made a motion to approve the tentative budget for the calendar year of 2017 as presented, seconded by Mayor Arave. Board Members Earnshaw, Arave, Miles, Lewis, Fillmore and Millburn voted "aye."

### **OTHER MATTERS**

Next Board meeting will be December 19, 2016 at 3:45 p.m.

Meeting adjourned at 5:07 p.m. on a motion made by Mayor Romney and seconded by Commissioner Millburn.

\*\*\*\*approved December 19, 2016\*\*\*\*