

South Davis Recreation District Administrative Control Board Meeting

May 21, 2018, at 3:45 p.m.
at the South Davis Recreation Center

Attendance: **Board Members**

Councilmember Tami Fillmore, Centerville
Mayor Len Arave, North Salt Lake
Mayor Randy Lewis, Bountiful
Mayor Rick Earnshaw, Woods Cross
Mayor Ken Romney, West Bountiful
Marti Money, Davis County Representative
Commissioner Bret Millburn, Davis County ***arrived at 3:52 p.m.*

Others:

Todd Godfrey, District Attorney
Tyson Beck, Board Clerk
Scott McDonald, Aquatics & Fitness Director
Cory Haddock, Recreation & Ice Director
Lizie Allen, Aquatics Programs Manager
Heidi Kearsley, Customer Service Manager
Mary Gadd, Office Manager
Kade Nelson, Recreation Specialist
Kathleen Steadman, Aquatics Operations Manager
Steve Rowley, Keddington & Christensen
Michael Glissmeyer, Bountiful Resident
Mark Glissmeyer, Bountiful Resident

WELCOME

Board Chair Money opened the meeting at 3:46 p.m. and excused Mr. Nate Pugsley.

CITIZEN MATTERS

None.

MINUTES OF MARCH 19, 2018 AND APRIL 9, 2018 BOARD MEETING APPROVED

Board Chair Money asked that she be referred to as Board Chair instead of Board Chairman in both of the months.

Minutes of the Administrative Control Board meeting held on March 19, 2018 and April 9, 2018 was approved on a motion made by Mayor Earnshaw and seconded by Mayor Arave. Board Members Fillmore, Arave, Lewis, Earnshaw, Romney and Money voted "aye."

REVIEW OF 2017 FINANCIAL REPORT

Tyson Beck gave the Board a report on the financials for District through the year of 2017. Highlights include:

- 2017 saw a Net Income of \$632,440
- Net Position continues to increase because of the net incomes each year
- Cash Balances continue to grow each year because of the net incomes
- Cash flow from Operating Activities has declined due to lack of rate increases

Commissioner Bret Millburn arrived at 3:52 p.m.

Mr. Beck mentioned that when the loan to Centerville happens that the Cash Balance will decrease but that the District was in a good cash position. Mr. Beck recommended that the Board read through the entire Management Discussion and Analysis section of the Audit Report.

2017 FINANCIAL AUDIT REPORT

Steve Rowley, of Keddington & Christensen CPA firm, presented the Board a clean opinion that the financial position of the District ended in accordance with accounting principles accepted in the United States of America. Mr. Rowley reported that internal controls were reviewed and no weaknesses were found.

Mr. Rowley reported that the District complied with the State Compliance requirements for the year ending December 31, 2017 except for once instance of non-compliance in relation to the Open and Public Meetings Act. Mr. Rowley stated that after discussion with staff it appears that March 2017 meeting had it on the agenda but that meeting was cancelled and the training didn't appear in any minutes after that month.

The 2017 Financial Audit Report was accepted on a motion made by Mayor Romney and seconded by Mayor Earnshaw. A roll call vote was held and Board Members Fillmore, Arave, Lewis, Earnshaw, Romney, Money and Millburn voted "aye."

APPROVAL OF EXPENDITURES FOR MARCH 2018 AND REVIEW OF MARCH FINANCIAL STATEMENT

Scott McDonald asked if the Board had any questions regarding the expenditures and reported that revenue and expenses should be at 25% for the year. Mayor Earnshaw inquired how many players the expenditure to the Utah Jazz represents. Mr. Haddock replied that it represents approximately 3,100 participants.

Total expenditures of \$455,495.14 for the period of March 1, 2018 to March 31, 2018 was approved on a motion made by Mayor Romney and seconded by Mayor Earnshaw. Board Members Fillmore, Arave, Lewis, Earnshaw, Romney, Money and Millburn voted "aye."

APPROVAL OF EXPENDITURES FOR APRIL 2018 AND REVIEW OF APRIL

FINANCIAL STATEMENT

Mr. McDonald asked if the Board had any questions regarding the expenditures.

Total expenditures of \$330,389.51 for the period of April 1, 2018 to April 30, 2018 was approved on a motion made by Mayor Romney and seconded by Commissioner Millburn. Board Members Fillmore, Arave, Lewis, Earnshaw, Romney, Money and Millburn voted “aye.”

ACTION ON RESOLUTION 2018-02 – STATE TREASURER’S OFFICE FOR MANAGING PTIF ACCOUNTS

Mr. Godfrey reported that the State Treasurer’s office is requiring now that every entity authorize certain individuals to make changes to the District’s PTIF fund account and have asked for a resolution identifying who those two people are. Mr. Godfrey recommended that Mr. John Miller and Mr. Galen Rasmussen be appointed to the positions and that changes can be performed in writing when necessary.

Councilmember Fillmore made a motion to approve Resolution #2018-02 adopting certain individuals to make changes to the District’s PTIF fund account and was seconded by Mayor Lewis. A roll call vote was held and Board Members Fillmore, Arave, Lewis, Earnshaw, Romney, Money and Millburn voted “aye.”

FOLLOW UP ON MEMBERSHIP RATES FOR CHARTER MEMBERS AND REPORT ON STATUS OF EFT MEMBERSHIP RATES

Mr. Godfrey asked that the discussion on the membership be tabled to another meeting. Councilmember Fillmore said that the Board gave staff directions to hold to the 10% increase on Charter memberships. Mr. McDonald informed the Board that past meeting minutes were reviewed and a memo was prepared, and handed out to the Board, concerning rate increases on Charter memberships.

A motion to table agenda items regarding membership prices was made by Commissioner Millburn and seconded by Mayor Romney. Board Members Fillmore, Arave, Lewis, Earnshaw, Romney, Money and Millburn voted “aye.”

DISCUSSION ON BOARD MEMBER COMPENSATION

Mr. Godfrey explained that this District is the only Special District that he is aware of where the Board Members are not being compensated for their attendance at the meetings. Mr. Godfrey suggested it not be significant enough that it creates competition for the seat. Commissioner Millburn asked if compensation be financial in nature or as a membership to the facility. Mr. Godfrey said he supported Board Members all having a membership to view the facility from the patron perspective but that shouldn’t be looked as compensation. Mayor Lewis suggested \$50-\$100 for each meeting. Councilmember Fillmore suggested that the acting Board Chairman receive more compensation. Mr. Godfrey will take the Board’s suggestions and come

back with a few different ideas.

EXECUTIVE DIRECTOR SEARCH SUBCOMMITTEE REPORT

Mr. Godfrey updated the full Board on the Subcommittee's search. Thirty three (33) applications were received for the position. Those were screened by Mr. Godfrey, Bountiful's City Manager Gary Hill and North Salt Lake's City Manager Ken Leetham. They were scored by criteria that was previously agreed upon, that included experience and education, and developed a list of ten (10) applicants that went to review by the full Subcommittee. The full Subcommittee then narrowed it down to seven (7) applicants for interviews. After the interviews applicants were narrowed down to two (2) for final interviews.

OTHER MATTERS

Council member Fillmore passed on a request from VHS graduation party organizers that their fee be the same as in the past (\$3,000) rather than the raised rate of \$3,500. The Board discussed this very briefly and seemed to agree that rates charged to all parties need to be consistent and that the raise in rates was for the benefit of the facility and the financial position of the district.

Councilmember Fillmore asked the Board to consider allowing Viewmont High School to pay the 2017 price of \$3,000 for their graduation party, instead of the increased \$3,500 for the 2018 party. Mr. Godfrey suggested that a price decrease would need to be listed as a specific agenda item.

Next Board meeting will be June 18, 2018 at 3:45 p.m.

Mayor Earnshaw made a motion at 4:45 p.m. to move to a closed meeting, to discuss the character competence of an individual and was seconded by Commissioner Millburn. A roll call vote was held and Board Members Fillmore, Arave, Lewis, Earnshaw, Romney, Money and Millburn voted "aye."

Meeting adjourned at 5:13 p.m. on a motion made by Mayor Lewis and seconded by Mayor Earnshaw.

****corrected 7/5/2018****