

South Davis Recreation District Administrative Control Board Meeting

October 17, 2016, at 3:45 p.m.
at the Recreation Center

Attendance: **Board Members**

Commissioner Bret Millburn, Davis County
Marti Money, County Representative
Mayor Rick Earnshaw, Woods Cross
Mel Miles, County Representative
Mayor Ken Romney, West Bountiful
Councilmember Tami Fillmore, Centerville **arrived at 3:51pm**

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

Vice Chairman Rick Earnshaw opened the meeting at 3:49 p.m. and excused Mayor Arave and Mayor Lewis.

CITIZEN MATTERS

None.

MINUTES OF SEPTEMBER 19, 2016 BOARD MEETING APPROVED

Minutes of the Administrative Control Board meeting held on September 19, 2016, was approved on a motion made by Mrs. Money and seconded by Mayor Romney. Board Members Millburn, Money, Earnshaw, Miles and Romney voted "aye."

SEPTEMBER EXPENDITURES APPROVED

Councilmember Fillmore arrived

John Miller noted the following expenditures: Cambria Property Management, in the amount of \$2,763.00 for re-plastering the hot tub; Carr Printing Co., in the amount of \$2,440.00 for 4,000 facility brochures; Kemper Northwest Inc., in the amount of \$1,167.3 for ice rink repairs to leaks in the sub-floor heating; Sherwin-Williams, in the amount of \$1,859.00 for a field paint sprayer.

Mr. Millburn inquired about a reimbursement to Sarah Pease, in the amount of \$195.90 for hammers. Mr. Millburn asked how many hammers they buy for that amount. Mr. Miller answered that the hammers are for the top age group finishers at the Labor Day Triathlon.

Mr. Miller continued with Bountiful Junior High, in the amount of \$981.51 for refinishing the floor in the gym. Mayor Earnshaw inquired if that is contracted out or done

themselves. Mr. Miller answered that they usually perform the task themselves. Intermountain Concrete Specialties, in the amount of \$921.06 for sealing the pool deck. KEZ Recreation Products, in the amount of \$1,325.00 for walkers to help skaters on the public sessions. CMA Tile, in the amount of \$7,550.00 for tiling the mens locker room shower area.

Mr. Millburn inquired about policies regarding the purchase carding through U.S. Bank. Mr. Miller answered that staff gets approval from himself before purchasing and they turn in a receipt for the purchase. Mr. Godfrey suggested that to protect staff that another member of the staff review purchases made by Mr. Miller and then every few months for the Board Members to review the purchases.

Mr. Miller continued with Peak Software Systems, Inc., in the amount of \$2,099.00 for the District's point-of-sale software. Rumsey Harwood Flooring Inc, in the amount of \$2,593.80 for refinishing the floors in the aerobics room and racquetball courts. Sherwin-Williams, in the amount of \$586.46 for paint for the pool closure. Grainger, Inc., in the amount of \$772.27 for supplies for the pool closure. Precision Concrete Cutting, in the amount of \$644.33 for cutting the pool deck during the closure.

Total expenditures of \$278,700.81 for the period of September 1, 2016 to September 30, 2016 was approved on a motion made by Commissioner Millburn and seconded by Mayor Romney. Board Members Millburn, Money, Earnshaw, Miles, Romney and Fillmore voted "aye."

SEPTEMBER FINANCIAL STATEMENTS REVIEWED

John Miller reported that Pool revenues are at 76.9%, Recreation revenues are at 85.5% and Ice revenues are at 71.2%. Expenditures for Pools is at 67.4%, Recreation is at 68.5% and Ice is at 65.1%.

MEMORANDUM ON PURCHASE OF NEW WEIGHT EQUIPMENT

Mr. Miller reported that staff sent out an RFP for bids to replace the weight equipment. The current equipment is 10 years old now and while it may still look good the life expectancy of the equipment is only around 10 years. Mr. Millburn inquired what the evaluation parameters were and Mr. McDonald replied that they looked at durability, warranty, stability, function and movement, adjustability and service track record. Mr. Millburn asked what the trade in value was and Mr. McDonald replied that PEX Fitness had one of the highest trade-in value of approximately \$19,000.

It is the staff recommendation to award the bid to PEX Fitness for the purchase price of \$159,190 plus estimated shipping costs. Funds for the equipment were budgeted in the Capital Budget, \$125,000 and the Aquatic Operation and Maintenance account, \$40,000. Shipping cost of the new equipment should not exceed the \$165,000 that was budgeted.

Commissioner Millburn made a motion to award the bid to PEX Fitness and was seconded by Mayor Romney. Board Members Millburn, Money, Earnshaw, Miles, Romney and Fillmore voted "aye."

DISTRICT PROPERTY TAX AND FINANCIAL TRENDS

The Board requested several meetings ago to have a report on new growth within the District. Galen Rasmussen reported that the District has two levies that come forth each year, one is used to pay the General Obligation Bond and the other one is used as an operating subsidy. Mr. Rasmussen prepared a report on the subject that includes from 2005 to 2015, the most completed tax year.

Councilmember Fillmore thanked Mr. Rasmussen for preparing the report and inquired if at the beginning of the District if new growth was predicted. Mr. Rasmussen replied he didn't know if there was a financial proforma but that the facility that the District replaced had a \$250,000 subsidy. Councilmember Fillmore said that a possible weakness she was seeing is that the District is relying on new growth to keep up with the subsidy and with Capital expenses instead of expanding the facility or services offered to accommodate the new growth. Mr. Godfrey recalled a discussion had with the first Board about this specific issue and they were asked to project new growth levels but that it was an estimate at best. Mr. Godfrey said that the Board at that time said that a Board down the road would have to contemplate with either raising fees or funding the operations with the growth. Mr. Godfrey said that the District is not in financial dire straits and are operating right about the right level but that every Board should look to do it better and be a little bit more financially sound.

Councilmember Fillmore questioned if the District is staying static in the number of memberships because of the size and offerings of the facility or if the other local competition is providing for the needs of the public. Mr. Miller responded that while number of single and couple memberships are down from peak numbers that the family memberships are still holding strong. Councilmember Fillmore asked Mr. Miller how far of an analysis has been completed on comparable facilities and costs. Commissioner Millburn mentioned he would like to know if the District had lost members to the new Farmington Gym. Councilmember Fillmore asked Mr. Miller to work on obtaining a comparison of gyms and their costs.

2017 BUDGET REVIEW

Mr. Miller presented the Board with the proposed Budget for 2017 which includes a 2% COLA increase for full-time employees and putting 3.2% of all admissions into Reserve for Repair & Replacement.

Mr. Miller mentioned staff have had some concerns with hiring and retaining morning lifeguards and cashiers and have increased the budget to draw a few other prospects. Councilmember Fillmore mentioned that perhaps rather than increasing a wage if making positions full-time with benefits and Mr. Miller replied that full-time benefited wouldn't work for the number of employees it would apply to.

Councilmember Fillmore cautioned that the more money spent on background checks the better as the Recreation District is the perfect place for a person who is predatory to try to work at. Mr. Godfrey said that background checks is a tough situation with minors. Councilmember Fillmore asked if all adults that are employed has a background check performed and Mr. Miller answered yes. Mr. Godfrey added that minors are asked to provide any information about convictions or arrests.

FACILITY EVENTS

John Miller reported on upcoming events at the Recreation Center:

- Spook-tacular – Oct. 29th from 5:30pm-8:30pm

OTHER MATTERS

Next Board meeting will be November 21, 2016 at 3:45 p.m.

Meeting adjourned at 5:02 p.m. on a motion made by Mayor Romney and seconded by Commissioner Millburn.

approved November 21, 2016 with corrections