

Snyderville Basin Special Recreation District
Board Meeting Minutes
Wednesday, August 25, 2010
Schefter Conference Room - Trailside Park
5715 Trailside Drive
Park City, Utah

Board Members in Attendance: Jay Burke, Tracey Douthett, Ron Perry, Scott McClelland, Marilyn Stinson.

Absent: Kevin Simon, Scott Siemon

Staff/Employees Present: Rena Jordan, Bonnie Park, Bruce Dickens, Maikella Parker, Matt Strader, Senta Beyer

Attending Guests: Chris Moffett, HR Consultant.

The meeting of August 25, 2010 was called to order by Chair Perry at 6:15 pm.

Rena Jordan introduced Chris Moffett, HR Consultant to the District since 2005. She said as a start to budget preparation, she wanted to honor her commitment to the Board to review compensation philosophies, policies, pay rates and benefit provisions. The District Board has not established a compensation policy to guide her in the overall District compensation package. Moffett provided a compensation philosophy document. It is a narrative about compensation guidelines and practices (attached).

Chris Moffett explained when an organization looks at their compensation system and conducts salary/benefit surveys, it is necessary to have a philosophy on how to treat compensation before decisions can be made. The spectrum ranges from "employer of choice" to mid-level or lower level compensation packages, or some combination thereof. Jordan said there is not an articulated philosophy to attach to the District pay scales and rates. She picked a compensation philosophy to be within the top 25% between the high and low of local and like market rates.

Moffett said things to consider are retention of good employees, and recruiting for top performers. Moffett shared her experience in working with other clients in the current economy. At the present time, good employees are available at lower rates, but those employees will not stay when the economy improves due to the low pay.

Having reviewed the Board packet material, Douthett expressed her opinion that there are certain positions within the District that are high and some are low. This was discovered when McClelland, Douthett and Perry reviewed the salary scale. Scott McClelland emphasized it is the Board's decision to set the level; it is not up to staff. Douthett asked what tool the District can

use to get the pay scale competitive, but not over compensate. Moffett said if the decision is to be in the top 25%, then anybody under the top 25% gets an increase potentially. Where and when they get there is part of the implementation.

In reviewing the compensation survey data, Board members discussed the hybrid nature of some of the District positions and strengths that individual employees bring to their work. Jordan and Moffett agreed there are unusual positions the District employs that are difficult to compare.

Scott McClelland asked what the District is anticipating in tax collections now that tax notices have been received. He questioned if tax appeals are anticipated.

Jordan said her goal is to create and present a solid budget in 2011 that is a no-growth budget over the 2010 adopted budget. Her goal is to not need a tax increase, other than what was provided by a one time adjustment granted by the state tax commission due to House Bill 23 discussed at the last meeting. Park said she and Maikella Parker have been working hard to understand the effect of the legislative change and they believe property taxes will be flat to the amended budget. Jordan said the 2011 proposed O&M budget projects \$2,836,699. The adopted 2010 budgeted revenue was \$2,664,143 in taxes; the amended 2010 is projected at \$2,834,044.

Jordan said regardless of individual personnel costs the District will propose an expense budget flat to 2010. A budget short of that will result in a decrease to the tax rate and lower property tax collections on the revenue side. McClelland requested salaries be calculated out for 2012 and 2013 to see at what point the inverted curve occurs whereby expenses will exceed revenues. Jordan said if the curve goes inverted, services should go down and personnel would go down accordingly. Jordan said new growth and falling valuations are variables the District has no control over. The Board has the opportunity to review the budget prepared by staff that is balanced, and they won't be asked to adopt a budget that isn't.

Jordan is pushing through the difficult discussion with department managers to re-think how many new seasonal staff are absolutely needed, and thinking through level of service. The exercise that Jordan and Moffett went through was to get a feel for comparable salaries, trying to develop a philosophy for the Board to consider, looking at benefits compared to other organizations. The reports indicate the District is not out of line with the comparables; and some items the District is deficient in. The benefit cost paid by employees is higher than Summit County's and there are questions being asked if the District can become part of their group.

The District is not out of line with vacation and sick leave time. Retirement benefits are in the low ten percent compared to other entities. Cost of the payroll budget is the outtake of the data driven information presented. Jordan invited questions from the Board.

Moffett said she works with a number of districts, towns, counties and some states. Her experience with other clients is that staff is being furloughed with forced time off, no pay increases, cutting pay or laying people off in some cases. She says this to emphasize the positive position the District is in. The District has utilized current staff to keep them working in various ways as a part of good management.

Perry suggested staff look at how many tax appeals Summit County is faced with. Jordan said taxpayers don't understand that even with a downward adjustment in values, taxes went up.

Perry explained the need for the tax rate to be increased when values are down, in order for taxing entities to maintain the same level of service.

Jordan asked if there were other questions related to compensation comparatives. There being none she moved on to present data prepared by Maikella Parker (attached).

The payroll budget 2011 summary sheet provides information, based on percentages, of the total proposed increase of \$162,544 over the 2010 budget if certain actions are taken related to existing staff and proposed new hires. These actions include step increases, changes in medical benefits, and new positions.

New positions proposed include a job share finance position, and a Recreation Coordinator full time permanent position under Recreation Programs Manager. As a team, these are the recommended permanent additions. Trails has requested one additional seasonal. The Fieldhouse increase is related to the seasonal (non-benefited) splashpad attendant. Jordan said personnel costs attributable to special events have been broken out to help the Board make informed decisions about rates; special events were previously embedded in the Park Department.

The intention is for Jordan to build the budget from the bottom up beginning with compensation. She has been pushing managers to strategically think through staffing decisions. Senta Beyer added her department has been challenged to be sure staff is being used most efficiently in trying to maintain the standards of a growing system. Jordan acknowledged that these personnel discussions are taking place in the middle of the busy season and staff is feeling fatigued. She is internally challenging existing staff to work to capacity.

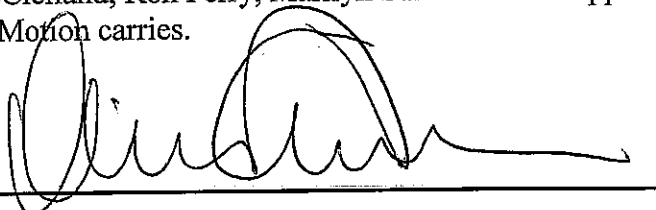
The next budget discussion is proposed to build on the compensation plan.

At 7:22pm Chair Perry called for a motion to adjourn the work session.

MOTION: To adjourn the work session of August 25, 2010. [McClelland/Douthett] All in favor: Jay Burke, Tracey Douthett, Scott McClelland, Ron Perry, Marilyn Stinson. None opposed. Absent: Kevin Simon, Scott Siemon. Motion carries.

Minutes prepared by Bonnie Park

Clerk/Board Member Approval:

A handwritten signature in black ink, appearing to be 'Bonnie Park', written over a horizontal line. The signature is cursive and somewhat stylized.