



Snyderville Basin Special Recreation District  
Board Work Session Meeting Minutes  
**Wednesday, September 16, 2009**  
Schefter Conference Room - Trailside Park  
5715 Trailside Drive  
Park City, Utah

**Board Members in Attendance:** Tracey Douthett, Scott McClelland, Sharon Odell, Kevin Simon, Marilyn Stinson. Ron Perry arrived at 6:39pm. Scott Siemon arrived at 7:04pm.

**Absent:** None

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

**Attending Guests:** None

The work session of September 16, 2009 was called to order by Chair Odell at 6:09 pm.

### **BUDGET WORK SESSION**

Rena Jordan provided a summary sheet compiled to put the budget discussion in context. On the revenue side, the property tax is based on a 3% escalation. As the budget process proceeds, the District will be consistent with Summit County's escalation. The revenue increase reflects both new growth and changes in valuation.

A decrease in recreation program revenues is assumed based on the 2009 history to date. Fieldhouse revenues are projected to increase in 2010 over 2009 due to new programs that have been introduced.

On the O&M expense side the proposed 2010 budget is 9.8% higher, than the 2009 lean budget, but 2% lower than the adopted 2009 budget.

The proposed 2010 full time equivalent staff is 19 compared to 16.5 in 2009, which is part of the budgeted 9.8% increase. The proposed 2010 budget could result in a roll over to capital of \$261,394 using conservative revenue numbers and without a tax rate increase.

All managers are in attendance to answer questions. Maikella Parker provided a handout summarizing the breakdown of increase in expenses from the 2009 lean budget to 2010 proposed budget attributable to personnel related costs, including the addition of three positions. To be conservative in this first proposed budget the expense side is loaded and revenues are conservative. Jordan invited questions from the Board.

Scott McClelland said he believes the District is operating well and questioned the addition of three additional people on staff. Jordan said they include one trails position, one fitness instructor position, and a custodial position. They equate to 2.5 full time equivalents. The trails department has decreased one seasonal position in order to add one full time due to work loads related to additional winter grooming for recreation and snow removal for safe route to schools. A fitness coordinator position at the Fieldhouse has been added due to new fitness classes. It is a part time year round position to conduct, coordinate and staff fitness classes. The third position is custodial. Some of the expense is currently incurred with part-time staff, but there is a need for full-time coverage 7-days a week, much of the time to be spent maintaining the Fieldhouse. One position would be full-time benefited, combined with a second permanent part-time, rather than a seasonal position. The scope of custodial work supervised by Bruce Dickens has expanded to include the Fieldhouse. Dickens said with a cutback in some of custodial contract services, manpower runs short. The Fieldhouse weekend/evening supervisor will work a 40 hour week and take on more supervisory responsibilities. McClelland said with respect to the trails full-time position, he believes the summer work load is more intensive than winter. Beyer said there are both planning tasks and maintenance tasks that occur both summer and winter. Of late, signs, kiosks, sign orders, trailhead building maintenance are increasing. Now that sections of the trails system have been in place for a few years, additional maintenance is necessary. With trails staff constructing sections of trail the District realizes significant savings, but that takes away from staff out in the field maintaining the existing trails inventory. Trail hikes have also been added. McClelland noted 63.6% of the 2010 budget is salaries. By comparison, Jordan said 2009 salaries were 61.79% and in 2008 they were 64.1% of the budget. McClelland said he is trying to understand if these positions as proposed are needed. Matt Strader said the fitness program is beginning to take off and generates revenue as an offset to the personnel costs. McClelland pointed out that as salaries increase, the expense of retirement benefits also increases. Jordan said for all new assumed positions, the benefit cost has been loaded to project a higher rate for families. It is conservative and may be less when the positions are filled. Benefits have been escalated at 12%. Health insurance plans are currently being bid for next year so the actual cost is unknown. Jordan cautioned the Board in making comparisons to the benefit load of Park City School District because they are dealing with a budget deficit, and the Recreation District's financial position reflects a healthy rollover to capital. Cost of proposed COLA of 2% is \$21,000. This information is provided to put the expense in context to the District's financial position.

Discussion followed on the splash pad. Strader said the evening/weekend supervisor and other staff currently employed will be able to manage the splash pad. He noted the Fieldhouse revenues are projected to increase over \$100,000, so it is not just a matter of increasing expenses. Dickens noted there will be additional maintenance associated with the splash pad, as well.

Kevin Simon asked for an explanation of the capital roll over of \$1.8 million. Jordan said if the Board proceeds with raising the tax rate through truth in taxation, there is an increase in property tax revenues but no associated operational costs. The additional funds will flow through to be budgeted for capital projects.

McClelland continued to query the salary and benefit increases. Jordan referred him to the summary sheet: 16% of total salary increase is attributable to step; 7.2% attributable to COLA; cost of new positions is in the \$80,000 range.

Rena explained the justification for truth in taxation in order to delay a recreation bond, but still be able to fund portions of the capital wish list. Park explained the truth in taxation process which requires advertisements and public hearings in December and August. The bulk of property taxes are received at year end, so anticipated revenues for capital will not be budgeted for expenditure until 2011. Jordan said there is about half a million dollars for capital expenditures in 2010.

Ron Perry expressed caution relative to the current economy. He said the Board should weigh heavily the decision to raise the tax rate. He believes postponing a bond for future projects is a good decision. Jordan said through truth in taxation the District could self-fund a second phase at the Fieldhouse, or additional trail development. An alternative would be to add a trails portion to another open space bond in 2010. The proposed tax rate increase creates an opportunity for a capital replenishment fund over the next few years.

Kevin Simon inquired as to the relationship of capital improvements and the need to fund additional operations and maintenance. Discussion followed on the inherent relationship between the two. Jordan said this consideration is part of Board strategy on the decision to bond.

Beyer identified the East Canyon Creek transportation trail, the link along Kilby Road to Summit Park and Highland Drive trail improvements as expensive priorities for her department. She emphasized that trail improvements are often acted upon as a result of opportunity and having money in the pot to capitalize on the opportunity is important.

Jordan said the truth in taxation decision would need to be made soon. In order to prepare and approve the tentative budget at the November 4<sup>th</sup> Board meeting, direction must be given no later than the October 7<sup>th</sup> Board meeting. She reiterated insurance benefits will be shopped. Staff is exploring participation in unemployment insurance. There are no proposed changes in retirement benefits. One goal for this year was to update the District Capital Facilities Plan, which would incorporate priorities based on needs assessment survey data. This information would be used to help the Board determine timing and interest in another recreation bond.

Douthett inquired if the tax rate increase for operations is approved for 2010, what tax rate follows in future years. Park said the rate will fall off unless the process is repeated. Jordan clarified there must be budgeted expenditures to justify the level of certified rate each year. She added this is a similar strategy to that being used by the City for Racquet Club improvements. Park recommended the Board develop a story line to reflect their intentions for how these funds will be used recreational improvements.

McClelland asked that other Board members express their thoughts on the additional staff, as he is not in favor of the associated expense. Kevin Simon clarified the timeline for budget adoption. The tentative budget will be approved at the November 4<sup>th</sup> meeting. Board direction now would be helpful to determine how the budget will need to be adjusted for that meeting. Marilyn Stinson asked how the Fieldhouse team would operate without the new positions, and agrees the splash pad will require extra attention for maintenance. Jordan said additional contract services would need to be used and that the contract service line item has been decreased as an offset to personnel costs. Jordan described the approach used by department managers in developing job descriptions and justifying the new positions, as well as the offset they represent to other budget line items. Douthett said she wants the message to be conveyed that the District is being frugal, but believes staff has done due diligence and the increases related to the new staff are almost insignificant given the offset to other line items they represent. Perry asked for an explanation of the full time fitness position. Strader said the person will help promote, teach classes, and oversee personal trainers; this position is a new revenue path and a portion of this person's salary will be recouped. Odell said she believes the trails staff may be as busy in the winter as in the summer with grooming and snow removal. Jordan said the District's contract with the County for snow removal fully funds one staff position.

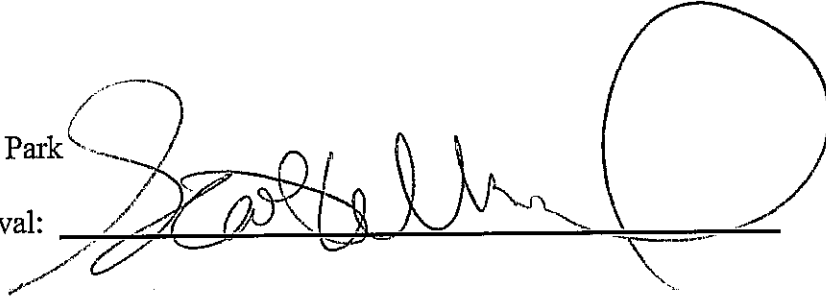
Jordan said the parks maintenance staff is busy all summer, but the Fieldhouse in winter has big demands for upkeep that the parks crew is tasked with. The flooring to cover the turf requires significant manpower. Other maintenance is ongoing, such as sanitizing the track, cleaning and replacing light fixtures. Staff training to clean and maintain exercise equipment is also underway. Jordan said the bar has been set high for customer service at the front desk and expectations have been set for specific duties.

Simon expressed his support for the new hires in alignment with the opinions of Stinson and Douthett. He said he has no doubt that if the budget constraints demand it, personnel will be laid off accordingly if they must be. Jordan agreed, and stated that the District is required to operate without deficit spending.

The work session of September 16, 2009 ended at 8:19 pm.

Minutes prepared by Bonnie Park

Clerk/Board Member Approval:

A handwritten signature in black ink, written over a horizontal line. The signature is cursive and appears to be "D. Stinson".