Board Members in Attendance: Nate Brown, Ben Castro, Brandi Connolly, Cathy Kahlow, Aaron Newman, Carrie Westberg, David Kottler arrived at 6:06pm.

Absent: None

Staff Present: Sue Ann Brandreth, Director Brian Hanton, Brian Kadziel, Ben Liegert, Melissa O’Brien, Megan Suhadolc, Matt Wagoner

Attending Guests: Amanda Angevine, Ice Arena General Manager; Lisa Yoder, Summit County Sustainability Coordinator

CALL TO ORDER AND PUBLIC INPUT
The meeting of October 3, 2019 was called to order by Chair Castro at 6:01pm.

There was no public input.

Chair Castro closed public input at 6:01pm.

CONSENT AGENDA
1. REQUEST TO APPROVE MINUTES FROM 9/5/19
2. REQUEST TO APPROVE THE PRIOR MONTH’S EXPENDITURES


ANNUAL UPDATE ON THE INTERLOCAL COOPERATIVE AGREEMENT FOR REGIONAL ICE FACILITY WITH PARK CITY MUNICIPAL
Board members received a staff report from Megan Suhadolc in their Board packets prior to the meeting. Suhadolc included a document summarizing the actual expenditures made with District and City funds for fiscal year 2019, as well as the anticipated expenditures for fiscal year 2020.
Executed in August of 2004, an Interlocal Cooperative Agreement outlines the cooperative construction and operations of the Park City Ice Arena between Basin Recreation and the City.

As required under a 2015 Letter of Consent, Amanda Angevine, the Ice Arena’s General Manager, gave a brief overview of the expenses and broke out some featured expenditures by the District and from Park City Municipal. Angevine pointed out that the District’s funds are earmarked for expenses that reoccur every year. The City’s funds are more flexible and are used for unanticipated things. In 2019, there were HVAC expenses and condenser repairs, along with refrigeration maintenance. A portion of the 2020 funds were used for plexi-glass replacement and the budget was adjusted to accommodate such. Some of the rental skate inventory was replaced. Projects planned for 2020 include concrete paint and a new control system for the facility.

Castro asked for an update on the Blackrock project. Angevine said that the conversation with the developer indicate that the footings for the ice sheet are scheduled for installation in the next few weeks. Castro asked if there were plans for an expansion of the Ice Arena. Angevine said that, with the potential Blackrock development, the City is not interested in spending public funds on any expansion at this time. There are other needs that will be addressed, such as locker rooms and training space.

**DISCUSSION AND POSSIBLE APPROVAL OF PARTNERSHIP WITH SUMMIT COUNTY ON RENEWABLE ENERGY**

Board members received a staff report from Brian Hanton in their Board packets prior to the meeting. Hanton introduced Lisa Yoder, the County Sustainability Coordinator.

Yoder informed the Board that, in an effort to meet Renewable Energy Goals set forth in Resolution 2017-16, the County has been working with the special service districts and others to establish relative demands.

Following an RFP process, a renewable energy developer has been selected and the renewable energy price ($/kWh) for government operations is being determined. The final price is dependent on several variables such as final interconnection costs, transmission upgrades, and changes in the Avoided Cost calculation as additional renewable resources are brought onto the grid. The estimated cost impact to Summit County and the dependent districts is $15,000-$21,000/year. That cost would be divided between the County and districts based on actual energy usage. There will be a true-up charge applied if the demand falls below the contracted supply of 5 MW. A master Renewable Energy Services Agreement ("RESA") is currently being negotiated. The County Council will review the RESA on October 23, 2019. Ultimately, the RESA will be signed by the District. A power purchase agreement (anticipated in mid-November) will solidify pricing and ultimately serve as an exhibit to the RESA.

Castro asked about the regularity of the true-up. Yoder informed the Board that the true up would occur each year and not carried over. Yoder assured Staff and the Board that the District’s consumption was carefully reviewed. The true-up amount is currently unknown.
Kottler asked about future buildings such as the Silver Creek project and if this removes any incentive to add solar panels later. Yoder said that, due to the savings, solar panels would probably not be needed. Castro wanted to know if increasing the contracted amount as buildings are built is possible. Yoder stated that this agreement is for 15 years. Connolly asked if the agreement could be renegotiated if some entities had more usage than others. Yoder answered that no, it is fixed, and power cannot be transferred to another customer. Kottler asked if the contract would renew when the 15 years is up. Yoder said that there is the option of five year renewals.

Staff’s recommendation is to continue to move forward with the process and Staff will keep the Board informed of the process and the timeline to possible implementation.

**DISCUSSION AND POSSIBLE APPROVAL OF THE TENTATIVE 2020 BUDGETS FOR RECOMMENDATION TO COUNTY COUNCIL**

Board members received a staff report from Megan Suhadolc prior to the meeting. Suhadolc gave a brief summary of the proposed budgets.

Proposed 2019 Amended Budgets:

The General Fund budget has some slight changes from the approved 2019 Budget, impacting payroll and benefit accounts only. The main reason for the changes was the elimination of the Trails and Project Manager position and the addition of the Trails and Open Space Manager position. The budget’s bottom line is still the same.

In years past, an Amended Budget was presented to adjust amounts based on year end forecasts to allow for an end of the year roll over to the Capital Fund. This would ensure the District stayed within the State allowed amount for General Fund reserves. Recent legislation has more than doubled the amount allowed in the General Fund balance, therefore, the urgency to make budget adjustments no longer exists.

The Capital budget was amended to reflect the status of capital projects. Total expenses were reduced from approximately $21 million to $12.3 million. A few projects have been pushed to 2020, most notable are the construction of the Discovery trailhead, new park development, and trail projects as a result of the County’s transportation master plan. The changes also reflect grant funds, and associated expenses, that were awarded to the District in 2019 for capital projects. Amending this budget helps the preparation of the 2020 budget.

The Impact Fee budget was amended with minimal changes to reflect the decrease in capital project funding. This budget is a component of the Capital Funds Budget.

The Debt Service budget had only minor adjustments, there was a $500 change due to an extra paying agent fee on bonds.

Proposed 2020 Tentative Budgets:

General Fund
Staff has prepared two balanced 2020 budgets. Both assume truth in taxation ("TNT"). The first TNT column (in green) is what was discussed during September’s Board meeting. The increase in property tax revenue of 62% is based on 2019 taxable values. The second TNT budget (in yellow) reflects a 5% increase in taxable values in 2020. Suhadolic mentioned that the option chosen impacts the TNT presentation that is next and then proceeded to talk about the first option. Fieldhouse revenue is projected to increase by 5% due to additional pass sales and the recent increase in membership fees. Recreation revenue is projected to increase about 6%, mainly from an increase in camps. There is a reduction in miscellaneous revenue from 2019 to 2020 because the District doesn’t intend to use its General Fund reserves as a source of revenue. There will be a 40.8% increase in expenses. This includes three new full-time employees which will slightly decrease seasonal staff expenses. COLA and merit raises have been entered at 6% at this time. There will only be a 3% increase in medical insurance premiums, which is low because the Self-insured medical plan has been doing very well. The Open Space and Trails departments show significant increases in the 2020 budget for contract services for maintenance and restoration, consulting fees, and department supplies. The largest increase in expenses is the transfer to the Capital fund, which will allow the District to adequately fund capital replacement needs, as well as future capital projects.

Suhadolic then discussed the second option. The yellow column proposes a 5% increase in property tax revenue over the first option, which amounts to $271,000. Director Hanton mentioned that the second option would allow for enforcement. Parking issues at trailheads and dogs off leash are just a couple of outstanding issues. The District would like to address those concerns and allocated $150,000 for such. The remaining funds would be allocated towards additional open space maintenance and restoration expenses. Property values in the District have increased between 7% and 16% the past four years. With this in mind, staff chose a 5% increase in valuations to estimate property tax revenue for this budget option.

Kottler asked if there were an occasion in the past where a valuation increase has been factored into the proposed budgets. Suhadolic said that in the past it had been just new growth that has been considered. With TNT, there is a different approach to estimating the maximum tax rate.

The funds for enforcement could be handled through an agreement with the County to actually do the hiring. Newman voiced concerns that labeling the fund “enforcement” might be unpopular with the public. Kottler said that maybe another employee could be hired that would be out at the trailheads enforcing and educating. Connolly added that possibly instead of a full-time officer there could be enforcement only during high traffic times and holiday weekends.

Castro pointed out that because staff has a deadline of tomorrow to submit its TNT staff report to County Council, this decision on the General Fund budget needs to be finalized during this meeting. Suhadolic said that the increase in property tax revenue amount will be on the County Council’s agenda. Kottler asked if there were any potential issues in terms of the auditor and the different method of calculating revenue. Suhadolic said that it was the State Tax Commission that informed Staff that this method is something that could be considered when determining property tax revenue during TNT.
The Board approved the tentative proposed General Fund budget in the yellow column, the second option.

Capital Fund
Suhadolc stated there is $10.6 million in the Capital Fund budget for 2020. There is money allocated to update the District’s Impact Fee Facilities Plan, for new equipment at The Fieldhouse, park development, a new vehicle for camps, and several trail projects. The remaining $1.5 million in trail bond funds is in the budget for projects that are a result of the County Transportation Master plan, as well as the remaining $4.1 million in open space bond funds for open space acquisitions. Lastly, there is $521,000 for Capital Replacement items such as the running track at The Fieldhouse and resurfacing the Splashpad. The ice arena bond funds are not included in this year’s budget and will be reserved for 2021.

Impact Fee Fund
The 2020 budget mirrors the 2019 budget in terms of revenue. The $3.5 million in expenses reflect the transfer to the capital fund for 2020 capital projects, such as, park development and trailhead development at Discovery.

Debt Service Fund
The 2020 $4.1 million budget reflects enough property tax revenue to pay for the District’s six outstanding general obligation bonds.

The Board will need to adopt tentative budgets for recommendation to the County Council. The budgets will then be presented to County Council on November 6, 2019. Adjustments, if necessary, can be made during the November 7, 2019 Board meeting. The budget hearing and final adoption is on County Council’s schedule for December 4, 2019.

MOTION: To advance the tentative 2020, which includes the second General Fund option, and amended 2019 budgets for recommendation to the Summit County Council, the governing body of the District. [Kottler/Newman] All in favor: Nate Brown, Ben Castro, Brandi Connolly, Cathy Kahlow, David Kottler, Aaron Newman, Carrie Westberg. None Opposed. Motion passes.

NOTIFICATION OF INTENT TO INCREASE 2020 PROPERTY TAXES IN THE AMOUNT OF $2,379,231, WHICH IS AN APPROXIMATE 72% INCREASE, FOR THE PURPOSE OF MAINTAINING AND REPLACING DISTRICT ASSETS AND PREPARING FOR FUTURE CAPITAL INVESTMENTS
Board members received a staff report from Director Hanton and Megan Suhadolc prior to the meeting. Director Hanton and Suhadolc gave a presentation explaining the District’s intent to increase property taxes in the amount of $2,379,231, which is a 72% increase in property tax revenue.

The last TNT proceeding was in 2004 and the District has grown immensely in the past 15 years. One community park has grown to three. Amenities have been added to the parks such as tennis courts, disc golf course, the Bike Park and Skate Park. In the beginning there were 20 park acres to develop, and now there are 94 acres at Silver Creek Village to be developed. The Fieldhouse has expanded from 46,500 square feet to 85,000 square feet. Growth of the trail system has gone
from 80 miles to 172 miles, open space went from 66 acres to 2,200 acres and Staff has grown
from 19 full-time equivalent employees to 52. Over 80% of the improvements in the past 15
years are non-revenue generating items.

Director Hanton discussed specifically why the District needs another $2.4 million in property
tax revenue. The first reason is to maintain and restore the assets of the District. Maintaining and
restoring open space costs between $200 to $1,500 per acre, annually, depending on the
landscape. Using the $200 per acre number, that is $440,000 per year, yet the current annual
budget is $61,000. Contracts are necessary to maintain the hard surface trails and parking lots, to
prolong their life and prevent premature replacement costs. Hard surface trails cost around
$7,000 per mile to maintain.

Another reason for the increase falls under Operations and Administration. Staffing levels must
increase to keep up with maintenance requirements of the growing District. Three full-time
positions need to be added to focus on trails, open space, parks, and facility maintenance. Also,
needs have increased for consultants for certain disciplines of open space management, as well
as for enforcement and education of rules and regulations.

The third reason for the increase is to provide funding to replace the District’s aging assets. A
few of the $4.6 million Capital replacement needs required in the next 6 years are the indoor
track at The Fieldhouse for $110,000, splashpad resurfacing for $50,000, 1.5 miles of asphalt
trail replacement for $210,000, playground replacement at Willow Creek Park for $600,000, and
artificial turf replacement at Matt Knoop Park for $250,000. The community has come to expect
certain level of service and the District wants to maintain that level by replacing the aging
assets.

The fourth reason for the increase is to assist in funding the additional wants and needs of the
community. If there is no increase, then capital project reserves will be spent by the end of 2022.
The recent community survey results showed the residents want more of what we are providing.

Suhadolc explained that property tax revenue is calculated with a revenue neutral tax rate
formula. If property values go up, the tax rate goes down, and revenue is held flat. The only way
to get additional revenue is through new growth. In the last five years, new growth revenue has
averaged around $147,000, which is not enough to maintain assets, allow for increased
operations, and save for the future. Since 2012, tax rates have been going down which means
residents have been paying less for the amenities they have been receiving. The District’s tax
levy is a combination of two rates, Operations and Maintenance, currently .000367, and Debt
Service, currently .00434. The only portion of the rate that is impacted by this TNT process is
Operations and Maintenance.

The average market value of a residence in the District is $793,000. The estimated increase in
property taxes due to this TNT request on the average primary residence within the District is
$101.62 per year. The proposed increase would raise the Operations and Maintenance tax rate to
.0006, which is the District’s maximum tax rate authorized by voters in 1995. A mailing will go
to each property owner at the end of October showing the estimated increase to his/her tax
payment. It is still to be determined if the combined tax rate will be displayed on the mailing or
just the Operations and Maintenance rate. Since the meeting, it was established that only the 
Operations and Maintenance tax rate will be displayed on the mailing.

The District will hold a public hearing at 6:00pm, as part of the Summit County Council 
meeting, on the proposed property tax increase.

Board members provided several suggestions for changing the presentation before submitting it 
to the County Council. Suhadolc will do some revisions before sending the presentation to 
County Council tomorrow by noon.

QUESTIONS ON DEPARTMENT UPDATES
Board members received Department updates from staff in their Board packets prior to the 
meeting.

Newman asked about the grazing on the Gilmor and Triangle properties. O’Brien explained that 
there was an agreement already in place between Gilmor Ranching and the Gilmor Foundation 
through 2020 for the Gilmor property. The District and the Gilmors had begun negotiations prior 
to the closing so the Gilmors could plan for their 2019-2020 grazing seasons. The District has 
received revenue for the grazing use.

Castro asked about grant opportunities. O’Brien said that there are several at the State level and 
RAP grants are being considered. Staff has laid out a calendar for 2020. As far as the upcoming 
RAP grants, there are good opportunities for The Fieldhouse track, Splashpad resurfacing and 
some projects in the Skate Park.

Brown asked about the proposal for Olympic View. O’Brien said that it’s in the early stages. The 
District’s interests include the trail connections into the PRI open space as well as the potential 
for a gondola which would cut through the PRI open space. It will be a slow process.

UPDATES FROM DISTRICT COMMITTEES
STANDING COMMITTEES:
District Director Liaison & Annual Review Committee: Chair Castro reported that Director 
Hanton attended a Leadership conference and shared the experience. The challenges of staffing 
and the budget, along with Truth in Taxation were discussed by the committee. There was also 
discussion of the status of the Director’s goals. Newman said that Director Hanton’s evaluation 
is coming up. Connolly will meet with Suhadolc about the survey in Survey Monkey that was 
previously set up for the Director’s annual review.

Personnel Committee: Did not meet.
Audit Review Committee: Did not meet.
Trails Committee: The committee reviewed ebike issues and asked Wagoner and Liegert to 
start putting together a plan for regulating usage. Also discussed was how to regulate parking at 
the trailheads.
Open Space Committee: The committee met with Chris Robinson and Tom Fisher concerning 
the County’s expectations for open space management and funding. This will be an on-going 
discussion. Robinson and Fisher clarified that the management of open space falls on the 
District, not BOSAC.
AD HOC COMMITTEES:

Recreation Committee: Brown reported a discussion about pickleball, and the implications of the community survey results. Brown also complemented the golf tournament and the great job staff did.

Capital Investment Committee: Did not meet.

BOSAC Committee: BOSAC did not meet.

DIRECTOR COMMENTS

Hanton introduced Matt Wagoner, the new Trails and Open Space Manager. Wagoner shared some background that prepared him for this new position.

The public trails meeting has been moved to November 8, 6:00pm – 8:00pm at the Richins Building. Topics will include the public’s responsibility to follow the rules of the trails and trailheads. If rules cannot be followed, consequences such as paid parking could result. Director Hanton will provide more details to the Board as the date approaches.

Staff has developed a four-step progressive process to address situations where the public does not obey posted rules and/or staff instructions: (1) a verbal warning, (2) a cease and desist letter, (3) a suspension, and (4) an expulsion from all of the District facilities. This policy will include all facilities run by the District and will be included in the Operational Policies. Policies will be discussed at the November Board meeting.

BOARD MEMBER COMMENTS AND REVIEW OF ACTION ITEMS

Kottler went on City Tour and summarized the experience. The group went to Crested Butte which is smaller than the District’s area. Crested Butte experiences many of the same challenges with open space and trails. There is no Recreation Department, however, there is a land trust that handles open space and a non-profit that handles the trails. Funding comes through the lottery.

The group also visited Montrose, Colorado. There was a tour of the new Fieldhouse, which is also funded by the lottery. There are two pools, one is a leisure pool and one is a lap pool. There is a track that goes through the whole facility with different color paths and a climbing wall. They have a very robust program for Seniors. Kottler hopes that the District will continue to expand Senior Programs.

CLOSED SESSION: PROPERTY ACQUISITION; PERSONNEL

At 8:29pm, staff was dismissed, and Chair Castro called for a motion to enter into executive session to discuss property acquisition. Director Hanton, Matt Wagoner, and Melissa O’Brien were invited to stay for the discussion regarding property acquisition.

The executive session to discuss property acquisition was recorded.

Those in attendance were: Nate Brown, Ben Castro, Brandi Connolly, Cathy Kahlow, David Kottler, Aaron Newman, Carrie Westberg, Brian Hanton, Matt Wagoner, Melissa O’Brien.
MOTION: To enter into executive session for the purpose of discussing property acquisition.

At 8:40pm, Chair Castro called for a motion to close executive session for the purpose of discussing property acquisition.

MOTION: To close the executive session for the purpose of discussing property acquisition.

At 8:42pm, Chair Castro called for a motion to enter into executive session to discuss personnel. Director Hanton was invited to stay for the discussion regarding personnel.

Chair Castro signed a closed meeting affidavit for discussion of personnel.

Those in attendance were: Nate Brown, Ben Castro, Brandi Connolly, Cathy Kahlow, David Kottler, Aaron Newman, Carrie Westberg, Brian Hanton.

MOTION: To enter into executive session for the purpose of discussing personnel.

At 8:46pm, Chair Castro called for a motion to close executive session for the purpose of discussing personnel and adjourn the meeting.

MOTION: To close the executive session for the purpose of discussing personnel.


MOTIONS:

MOTION:
To advance the tentative 2020, which includes the second General Fund option, and amended 2019 budgets for recommendation to the Summit County Council, the governing body of the District. [Kottler/Newman] All in favor: Nate Brown, Ben Castro, Brandi Connolly, Cathy Kahlow, David Kottler, Aaron Newman, Carrie Westberg. None Opposed. Motion passes.

Minutes prepared by Sue Ann Brandreth

Clerk/Board Member Approval: [Signature]

Snyderville Basin Special Recreation District
Board Meeting October 3, 2019