Wasatch County Parks & Recreation SSD #21
Board Meeting
June 8, 2021
Minutes

Attendance Live & Zoom:
Jeff Wade, Chairman
Kendall Crittenden, Member
Steve Farrell, Member
Danny Goode, Member (Zoom)
Spencer Park, Member

Tom Bonner, Director
Heath Coleman, Asst. Director
Laurie Duke, Admin. Assistant
Jon Provost, Event Center Director (Zoom)
Amaria Scovil, Rec. Center Director
Erik Lappe, Rec. Center Programs Director
Mike Davis, County Manager
Dustin Grabau, Asst. County Manager

Absent:
Marilyn Crittenden, Vice-Chair
Mark Nelson, Member

Chairman, Jeff Wade called the meeting to order 3:21 p.m.

Minutes:
Tom Bonner presented the minutes for May 11, 2021.

Board Member, Steve Farrell made a motion to approve the May 11, 2021 minutes.
Board Member, Spencer Park seconded the motion. Motion carries with the following vote:

AYE:	Board Chairman, Jeff Wade
AYE:	Board Member, Kendall Crittenden
AYE:	Board Member, Steve Farrell
AYE:	Board Member, Spencer Park
NAY:	None
ABSTAIN:	Board Member, Danny Goode
ABSENT:	Vice Chair, Marilyn Crittenden
	Board Member, Mark Nelson

Warrants:
Tom Bonner presented the warrants for May 9, 2021 through June 3, 2021 in the amount of $38,634.72.

Board Member, Steve Farrell made a motion to approve the warrants for May 9, 2021 through June 3, 2021 in the amount of $38,634.72. Board Member, Kendall Crittenden, seconded the motion. Motion carries with the following vote:

AYE:	Board Chairman, Jeff Wade
AYE:	Board Member, Kendall Crittenden
AYE:	Board Member, Steve Farrell
AYE:	Board Member, Danny Goode
AYE:	Board Member, Spencer Park
NAY:	None
ABSENT:	Vice Chair, Marilyn Crittenden
	Board Member, Mark Nelson

Discussion on Funding the Parks & Recreation Budget and MOU with the County

Tom recognized in attendance today Ken Mickelsen, Chairman of the Parks & Recreation Advisory Board, Don Taylor, Vice-Chairman, and Neil Anderton, Member of Parks & Recreation Advisory Board. He also stated that Mike Davis and Jeff Wade, who were also in attendance, are members of the Advisory Board.

Tom distributed information packets to the Board, which also included a letter he had previously emailed to them.

Tom reported that the Advisory Board has been working on an MOU to repair and replace all we have in the department facility wide. This is a complete comprehensive list. Tom directed their attention to the top of the MOU where it shows County responsibility and Department responsibility. The total for the Department is $367,962. The total for the County is $234,943.

Tom explained that this MOU cannot go to fruition unless we can get the department whole and right now we have a deficit of $847,000. This is where the letter he sent them comes in. The Advisory Board & Mike came up with the idea of possibly using TRT reserve funds to pay off this deficit because the Parks & Recreation Department helps generate TRT money from all the events we put on.

Tom stated that going forward they have put together a 2022 budget. He said that in order to fund the department and our portion of the MOU we need $567,000. There have been two trains of thought on how to generate that money:

1) Adjust our tax rate. Our current rate is .000274 for 2020. To raise the approximately $600,000. we need, we would have to take the mill levy to .00032, if that was today. Obviously, that tax rate won't be set until June of next year, so with growth, he said he is confident that number will be lower, but we have to go with what it is today.

2) Tom said that in discussions with Steve Farrell, another option could be a combination of funding, which we would need to work through with the Advisory Board and Mike. With this option, we would fund half through a tax rate adjustment and half through a different source, whether it's TRT or something else. Tom verified with Steve that this is what they had talked about and Steve confirmed that it was. So Tom figured the tax increase for $300.000. and that would be .000281, as of today, but again that won't be assessed until June of next year, 2022.

Steve clarified that right now our tax rate is .000274 and Tom said that was correct. Tom believes that, with all the growth, it will actually be in the vicinity of about .000243 for 2021. We will have to go through the process of a tax rate adjustment later on this year to get the sufficient funds to operate and maintain the department.

So in summary, Tom wanted to inform everyone on what the Advisory Board has been working on and get all this information to the Parks & Recreation Board now and show the direction the Advisory Board is at with the MOU to fund the department. This will give the Parks & Recreation Board time to review this information and ask questions that can get answered and we can move forward.

Jeff stated that the Advisory Board has been working on this and have gone over and over ways to solve the deficit and build a fund for repairs and replacement, but ultimately, we have to get the department whole first.

Tom explained that over the last 3 years they have worked hard to identify areas that were hurting us, mainly 1 day events. He said that they have cut roughly 26 events over the last couple years and we can see that in the deficit. In 2019 the deficit only went up by $11,000. And in 2020 we were in the positive because there weren't any events due to COVID.

Steve agreed with Jeff that we need to make the department whole, however, he stated that we also need to give them the tools to stay whole. He said that it doesn't make any sense to get them whole and then five years down the road being in the same predicament. He said we also need to ask how much is community benefit. He said that we may lose some money, but yet it is for the good of the community. Tom responded that he could identify those programs and events quickly.

Danny asked Dustin if he had already done a study on this. Dustin replied that they did a preliminary study and looked at ways we prioritize events, but that we didn't do much with it. Tom stated that at the first of the year they go through every event from the previous year and identify whether it is positive or negative for the community. He said that we will continue to do this and we may have to cut more events.

Spencer asked if we charge enough at our events to make money. He asked specifically about the Horse Sale, for example. Tom answered that we probably break even on the Horse Sale because of stall rental. So then Spencer asked if we shouldn't charge more, due to the wear and tear on our facilities, so we do better than break even. Tom agreed that we should, but said that if we tried to get back every dollar we put out, we would lose events. Steve commented that he thinks we see enough indirect benefits to cover our costs.

Heath explained that they have developed an "Event Criteria" where they sit down as a staff and look at proposed events in terms of direct benefits and non-direct benefits, and weigh indirect dollars. There are several moving parts and it may be determined that we might lose some dollars in the department, but the impact of dollars spent in town is worth holding the event. Heath said that they are constantly refining this process.

Ken Mickelsen, Chairman of the Advisory Board, introduced himself and thanked the Parks & Recreation Board for the opportunity to address them. He acknowledged the hard work of the Advisory Board over the past couple of years and mentioned that Mike Davis, Jeff Wade, Marilyn Crittenden, and past member Danny Goode, have been a tremendous help to them.

Ken said that the Advisory Board have identified 5 areas they are working on:

1. MOU between the District and the County. He reported they have made great strides, but it is not quite ready.
2. Practical plan to deal with deficit. He referenced the letter Tom had already sent to them.
3. Develop a plan for a stable long-term funding source so we don't get back in the situation we are in.
4. Develop a capital depreciation fund for the department.
5. Recommendation to this council of updated impact fee for parks. Ken explained that last week they met with two representative from Louis and Young and had a great discussion and were able to get answers to a lot of their questions.

Ken stressed that their immediate focus is on the deficit. He repeated what had already been stated that we cannot move forward until we get the deficit resolved. He said that the entire Advisory Board approves the recommendation of using TRT funds that was given to this council.

Steve asked how much of the deficit was inherited and Mike answered that none was inherited. The county covered the cost of the Event Center and then gave the responsibility to the district without any financing to cover operations and maintenance. Steve said he thought that the department was always paying something towards the bond. Tom explained that when the Event Center was in the general fund we were participating and paying about $100,000. a year. Steve said that there were two numbers we were working on, how much we were putting on the bond and how much we were paying on the deficit.

Mike explained that the money was budgeted, but if we didn't make the money it did not get paid and that's what happened and then it just compounded each year. Steve remembers when he came on the council we were paying on a deficit and Heath commented that he thinks that was the deficit in the early 2000's and that was paid off. Steve clarified that this is new debt and both Mike and Tom confirmed that it was. Tom said that in the last 10 years the department has grown rapidly and our facilities are extremely busy.

Tom said that he realizes this was a lot to go over today, but that's why he wanted to get it in front of the Board early so we can continue to have discussions. Today we really only had one recommendation for the Board and that was the deficit. He said that the MOU and IFA will be coming down the pipeline. Kendall confirmed that today it was only listed on the agenda as a discussion and Tom stated that was correct. Steve asked Mike how much we have in the TRT fund and Mike responded that there is enough to cover the deficit and still have a year in reserve.

Steve asked when we will start seeing some revenue from Brown's Canyon and Mike answered that we should start seeing some this month.

Don Taylor, Advisory Board Vice-Chairman, addressed the Board. He stated that he wanted to talk about the process the Advisory Board has gone through. Don reported that when they first started they toured every facility, Event Center, Parks, Shop, & Recreation Center and met all of the employees. He said that they went down the list of all the repairs and replacements and that it became very apparent to them that the things listed were needed and that instead of just applying a band aid, we needed to put money aside for capital improvements. He stated that they realize we have great facilities, but they are getting mileage on them and we need to take care of them. The Advisory Board agreed that it was crucial that we set aside some money for the future. Don commented that Mike has been very helpful in finding solutions for the deficit and feels that they are on the right path. He thanked the Board for their time.

Danny commented that he thinks the plan the Advisory Board has come up with is really good. Jeff thanked Danny and said that he appreciates all the work the Advisory Board has done. Jeff feels the MOU needs to get done by the end of this year.

Jeff asked if there were any other questions or comments. There were none.

Board Member Danny Goode made a motion to adjourn. Board Member, Spencer Park seconded the motion. Motion carries with the following vote:

AYE:	Board Chairman, Jeff Wade
AYE:	Board Member, Kendall Crittenden
AYE:	Board Member, Steve Farrell
AYE:	Board Member, Danny Goode
AYE:	Board Member, Spencer Park
NAY:	None
ABSENT:	Vice-Chair, Marilyn Crittenden
	Board Member, Mark Nelson

Meeting was adjourned at 3:52 p.m.

Minutes prepared by Laurie Duke