

1 **South Davis Recreation District**
2 **Administrative Control Board Meeting**

3 April 15, 2019 at 3:30 p.m.
4 At the Recreation Center
5

6 Attendance: **Board Members**

7 Mayor Len Arave, North Salt Lake
8 Mayor Rick Earnshaw, Woods Cross
9 Marti Money, Davis County Representative
10 Mayor Ken Romney, West Bountiful
11 Bret Millburn, Davis County Representative ***arrived at 3:42 p.m.*
12 Councilmember Tami Fillmore, Centerville ***arrived at 4:05 p.m.*
13

14 Others:

15 Jayme Blakesley, Hayes, Godfrey & Bell Attorney
16 Tyson Beck, Board Clerk
17 Galen Rasmussen, Board Treasurer
18 Tif Miller, Executive Director
19 Scott McDonald, Aquatics & Fitness Director
20 Lizie Allen, Aquatics Program Manager
21 Kathleen Steadman, Aquatics Operation Manager
22 Cory Haddock, Recreation & Ice Director
23 Heidi Kearsley, Customer Service Manager
24 Mary Gadd, Office Manager
25 Haley Turner, Recreation Specialist
26 Tom Lund, Maintenance Supervisor
27 Layne Jenkins, Recreation Coordinator
28 Ron Mortensen, Bountiful Resident
29 Steven Rowley, Keddington & Christensen LLC
30 Commissioner Bob Stevenson, Davis County ***arrived at 3:53 p.m.*

31 **WELCOME**

32
33 Chairman Ken Romney opened the meeting at 3:37 p.m. and informed the Board
34 Members that Nate Pugsley, Davis County Representative, has resigned from the Board.
35 Chairman Romney excused Mayor Randy Lewis.
36

37 **CITIZEN MATTERS**

38
39 None.
40

41 **APPROVAL OF MINUTES FOR FEBRUARY 11, 2019**

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43 Minutes of the Administrative Control Board meeting held on March 18, 2019, was
44 approved on a motion made by Mayor Arave and was seconded by Mayor Earnshaw. Board
45 Members Arave, Earnshaw, Money and Romney voted "aye."
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47 **REVIEW AND APPROVAL OF EXPENDITURES/FINANCIAL STATEMENT**
48 **REVIEW FOR MARCH 2019**
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50 Mr. Miller highlighted the expense to Conserve-A-Watt Lighting, in the amount of
51 \$99,552.85, for LED lighting that the payment occurred in March of 2019 but is a 2018 Budget
52 expense.

53
54 Mrs. Money asked for further detail for the expense of \$123 to Cameron Hinds. Mr.
55 Miller informed the Board that Mr. Hinds left a wallet as collateral for a basketball. An employee
56 erroneously gave Mr. Hinds wallet to another patron. The District reimbursed him for the
57 missing items. Mrs. Money suggested a review of the acceptable items for collateral.

58
59 ***Bret Millburn arrived***

60
61 Total expenditures of \$524,548.51 for the period of March 1, 2019 to March 30, 2019
62 was approved on a motion made by Mayor Earnshaw and was seconded by Mrs. Money. Board
63 Members Arave, Earnshaw, Money, Romney and Millburn voted “aye.”

64
65 Mr. Miller reviewed the financial statement and informed the Board that the District
66 changed the recurring payment provider in March and that the ACH portion is currently not able
67 to process payments. Mayor Arave asked if that is why revenue was down for the month of
68 March. Mr. Miller estimated that there is about \$27,000 worth of payments still outstanding.

69 70 **REVIEW OF THE 2018 ANNUAL FINANCIAL REPORT**

71
72 Tyson Beck reviewed reports that show the District’s Financial Results through 2018
73 calendar year and Cash Flow Trends through 2018 calendar year. Mr. Beck showed that the net
74 incomes have slowly been decreasing over time, with an exception in 2012 due to a one-time
75 interlocal agreement revenue. Mr. Beck pointed out that the equity position has increased each
76 year, since 2005, but cautioned that the 13 million is not a spendable figure, as approximately 5
77 million is tied up in fixed assets. Mr. Beck reported that the cash flow from operating activities
78 have continually declined and the District has increased its use of the property tax subsidy to
79 fund the operating activities.

80
81 Board Members discussed the effects of the 2018 membership price increase, the
82 property tax subsidy and contributing to the reserve for repair and replacement fund.

83
84 ***Councilmember Fillmore arrived***

85
86 Mr. Beck noted the increase of \$226,629 in operating revenues comes from membership
87 sales, daily pool admissions, swim team meet revenues and fundraising. The District saw an
88 increase in nonoperating revenue and Mr. Beck highlighted the additional \$135,000 in property
89 tax revenue was due to an adjustment and will not be occurring regularly. Mr. Beck discussed the
90 increases in operating expenses.

91 92 **2018 INDEPENDENT AUDIT REPORT – KEDDINGTON & CHRISTENSEN, LLC**

93
94 Steve Rowley presented an independent audit report for the fiscal year ending December
95 31, 2018. Mr. Rowley presented a clean and unmodified opinion that the financial position of the
96 District, and the change in its net position and its cash flows for the year then ended in
97 accordance with accounting principles accepted in the United States of America.

98
99 Mr. Rowley reported on the required supplementary information that are deemed

100 important enough to be included in the report but are not audited to the level that the financial
101 statements are. Required supplementary information includes the management discussion and
102 analysis, the schedule of the proportionate share of the net pension liability, schedule of
103 contributions and notes to required supplementary information.

104

105 **MASTER PLAN STEERING COMMITTEE MEETING UPDATE**

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107 Mr. Miller updated the Board that they are planning on holding a community open house
108 within the next month. Mayor Earnshaw suggested a look at the functional upgrades and
109 improvements that could be made to the current facility.

110

111 **FOLLOW UP ON INTERLOCAL AGREEMENTS DISCUSSION**

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113 Mr. Miller asked if there was any further discussion needed from the documents handed
114 out at the previous meeting. Board Members had a small discussion regarding the School District
115 and pools.

116

117 **EXECUTIVE DIRECTOR REPORT**

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119 Mr. Miller reported on the following:

120

- 121 • Having the opportunity to advertise with the City and on their websites
- 122 • LED lights are installed in ice rink completely. Pool LED lights are next up.
- 123 • Met with Legacy Baseball regarding taking over their operations
- 124 • ACH issues with new payment processor
- 125 • Helmets have been purchased for ice skating
- 126 • Congratulated Haley Turner on completing the URPA Leadership Academy and noted
127 that Lizie Allen has started her Leadership Academy

128

129 **MEMBERSHIP REPORT**

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131 Mr. Miller answered Board Member questions regarding the report.

132

133 **FACILITY EVENTS**

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135 Mrs. Money commended the Indoor Triathlon events that were held.

136

137 **OTHER MATTERS**

138

139 None.

140

141 **NEXT BOARD MEETING**

142

143 Next Board meeting will be May 20, 2019 at 3:30 p.m.

144

145 At 4:54 p.m. Mr. Millburn made a motion to move to a closed meeting to discuss pending
146 or reasonable imminent litigation. Mayor Earnshaw seconded the motion. A roll call vote was
147 held and Board Members Arave, Earnshaw, Money, Romney and Fillmore voted “aye.”

148

149 Attending the closed meeting was:

150

151 Marti Money

152 Bret Millburn

153 Councilmember Tami Fillmore

154 Mayor Len Arave

155 Mayor Randy Lewis

156 Mayor Rick Earnshaw

157 Tif Miller

158 Jayme Blakesley

159 Mary Gadd

160 Scott McDonald

161 Kathleen Steadman

162 Lizie Allen

163 Heidi Kearsley

164 Tyson Beck

165 Galen Rasmussen

166 Tom Lund

167

168 Meeting adjourned at 4:59 p.m. on a motion made by Mayor Arave.

DRAFT