

DRAFT TRCC Advisory Board
March 29, 2013
Salt Lake County Government Center, N2003
1:00 PM

Board Members

Present: Kelvyn Cullimore – Chair
Vasilios Priskos – Vice-Chair
Darrel Smith

Ralph Becker
JoAnn Seghini

Absent: Andrew Stephenson, Mary Draper, Mike Winder, Zeke Dumke

Also Present: Brian Maxwell, Sally Jacobson, Leslie Reberg, Brad Kendrick Council Office; Darrin Casper

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Board Member Kelvyn Cullimore, Chair, presided.

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Welcome/Introductions

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Approval of Minutes

Board Member Darrel Smith, seconded by Board Member Vasilios Priskos, moved to approve the minutes from the June 11, 2012 TRCC Advisory Board meeting.

The motion passed unanimously.

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Reports from Board Members

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Election of Chair and Vice Chair

Board Member Smith seconded by Board Member JoAnn Seghini moved to elect Board Member Kelvyn Cullimore as chair of the TRCC Advisory Board.

The motion passed unanimously.

Board Member Smith seconded by Board Member Seghini moved to elect Board Member Priskos as vice-chair of the TRCC Advisory Board.

The motion passed unanimously.



Review of the 2012 & 2013 Budgets

Mr. Darrin Casper, Chief Financial Officer Salt Lake County Mayor's Office, stated the TRCC Fund is healthy; most of the revenues are above projections except for the Transient Room Tax (TRT), which is down slightly. The restaurant tax is one of the steadiest taxes and has not been as affected by the recession as the other taxes.

Board Chair Cullimore asked why the TRT was down.

Mr. Casper replied that overall it is up from last year; it just came in slightly under projection.

Board Member Smith asked if the tax revenues have fully recovered from the recession.

Mr. Casper replied no, they have are yet back to prerecession levels. It will be another year or even longer, before they reach that level. Even when they do reach prerecession levels, the actual purchasing power will be less than it was at that time. This is because of the effect inflation has had on the price of goods and services.

Board Member Ralph Becker asked if the entire amount of the three revenues, TRT restaurant and car rental, are deposited into the TRCC Fund.

Mr. Casper replied the entire amount of the restaurant and car rental taxes are deposited into the TRCC Fund. The TRT is a little different, in that the County collects 4% plus an additional .25%. The .25% goes into the TRCC Fund while the 4% goes into the Visitor Promotion Fund, which funds Visit Salt Lake and the convention centers.

Part of the budget includes a number of fund balance transfers. The first fund balance transfer on the list is \$3 million to the Center for the Arts. It provides operational funding for Abravanel Hall, Capital Theatre and Rose Wagner. With the creation of the Utah Performing Arts Center (UPAC), the Capital Theatre will experience a revenue loss of approximately \$1 million. To help offset this loss and to keep the fund balance transfer from the TRCC Fund at \$3 million, UPAC will be transferring to the County \$600,000 to help offset the decrease in revenue. To fill the remaining deficit created by UPAC the Capital Theatre will be able to backfill the parts of the calendar that are left vacant when the Broadway plays are transferred over to UPAC.

There are also several line items devoted to capital improvements. These line items total \$8.5 million. This amount devoted to capital improvements will be revisited every year to help balance the needs of the TRCC Fund.

The largest budget line item is \$13.2 million for Parks and Recreation. The rec centers are approximately 50% self-sufficient. The amount transferred from the TRCC Fund to Parks and Recreation was reduced \$3.75 million from prior years, based upon recommendations from the TRCC Advisory Board. To offset the decrease in TRCC Funding, Parks and Recreation revived an increase in from the General Fund.

There are also transfers to various capital revolving funds. These funds were established to help with the replacement of various equipment and capital assets. Part of the budget also includes funding for interlocal agreements.

Board Chair Cullimore stated the interlocal agreement for the West Valley Cultural Celebration Center expires next year. If West Valley City submits a request to renew the interlocal, this board should be able to weigh in and give its opinion on renewal.

Mr. Casper stated the last part of the budget includes several one-time allocations for various projects, most of which came as recommendations from the Cultural Facilities Support Program. The Living Planet Aquarium while not recommended by this board did receive funding.

Board Chair Cullimore stated that the Living Planet Aquarium received a negative recommendation from this board because it was felt that it was not a cultural facility and should not receive funding as such.

Mr. Casper stated the TRCC Advisory Board did not review the Dimple Dell Park Tunnel or the Taylorsville Skate Park. The County Council received these projects during the budget process.

Board Chair Cullimore stated the projected fund balance for the end of 2013 is nearly \$4.5 million. It is projected that by at the end of the 2014 that balance will grow to almost \$7.8 million. If there were a need, it would be possible to bond against that structural surplus to fund a large project. So far, there has not been a need as all of the recommended projects have received funding from the operating portion of the budget.



Discussion of the County Budget Process and Role of the TRCC Advisory Board

Board Chair Cullimore stated that the TRCC Advisory Board had concerns with the appropriations made part of the County budget from the TRCC Fund that were not reviewed by this board. The concern is not that the Council funded a project against the recommendation of the TRCC Advisory Board, but rather that the Council funded items that were not first

reviewed by this board. In December 2012, the TRCC Advisory Board expressed their concerns in a letter written to the County Mayor and Council. The TRCC Advisory Board was presented with a letter from Council Chair DeBry in response to the concerns expressed in that letter.

The appropriations the Council made, that were not reviewed by the TRCC Advisory Board, were last minute requests. This raises the question on what should be the process for handling last minute requests. One possible solution would be to have a time limit on requests, such as if a request is not made by a certain date then it would not be considered. This however, may not be practical as some last minute items do need consideration. One of the issues with putting in place a process for handling this type of request is that it might invite more such requests, which is something this board would like to avoid.

Board Member Priskos stated the first few years this board was in place there was very little money so this type of an event was not an issue. Now the economy is picking up, there is becoming more money available in the TRCC Fund and this might become more of an issue. He stated he would not want to participate on this board if the process was going to be circumvented.

Board Chair Cullimore stated the Council has followed a number of suggestions that this board has given. Now that there is more money becoming available there are going to more requests. The reality may be that it is not possible for the county to run all of the requests through this board. If that is the case then one solution might be to disband the advisory board and instead propose a block grant of 33% of TRCC Fund Revenue on a pro-rated basis to municipalities in the County. It would also be possible for Council to establish a policy or ordinance that states they will not fund anything out of the TRCC Fund until the TRCC Advisory Board reviews it.

Board Member Becker stated one of the reasons the legislature first established this board was to make the process more transparent and accountable. When projects bypass this board it defeats the purpose for having a board. It is possible that what happened last year may happen more frequently and if that is the case then the legislature should be made aware that what they intended is not happening and to have the money divided between the cities. He stated he would not sit on the board if it were possible to fund projects out of the TRCC Fund that had not been reviewed by the board.

Mr. Casper stated it is important to keep in perspective that the majority of the recommendations from this board have been followed and have made a big difference in the way the fund is structured and that the amount of money that was allocated outside of this board is small when compared to the overall budgets for the fund.

Board Member Smith stated this board should submit a letter to Council outlining the concerns that were discussed during this meeting.

Board Member Becker seconded by Board Member Priskos moved to send a letter to Council outlining the concerns the board has in regards to appropriations that

are made from the TRCC Fund without a review from the TRCC Advisory Board. The letter will also request a commitment from the Council that funds will not be appropriated from the TRCC Fund unless the TRCC Advisory Board has first reviewed the requests.

Motion passed unanimously.



Discussion of the Cultural Facilities Support Program and the Role of the TRCC Advisory Board

Board Chair Cullimore reported that the Cultural Facilities Support Program Advisory Board is a citizen board that makes recommendations for funding of projects consistent with the County Cultural Arts Master Plan. However, since funding for most recommended projects comes from the TRCC fund it will inextricably link us to that committee. He expressed concern that the TRCC Advisory Board not review “de nouveau” the projects reviewed by the CFSPAB or disrespect their work by imposing our opinions on their recommendations. Instead, we need to develop a working relationship that may include a preliminary presentation to the TRCC Board by the CFSP Board of projects being considered so we can provide input. In the end we should only be considering whether funding of their recommendations is advisable compared to other projects to be funded by the TRCC fund. A broader discussion of this issue was postponed until the next TRCC Advisory Board meeting when Erin Litvack will be available to provide some guidance.



Board Member Priskos seconded by Board Member Smith moved to adjourn.

Motion passed unanimously



Meeting adjourned at 2:20 P.M.