

1 **Minutes of the**
2 **Finance and Administration Committee Budget Review Meeting**

3 Bountiful City Hall Council Work Room (and electronically via Zoom and phone)

4 April 5, 2021 (4:00 p.m.)
5

6 Present:

7 Committee Members: Randy Lewis (Chair), Millie Segura Bahr, Kate Bradshaw,
8 City Manager: Gary Hill
9 Assistant City Manager: Galen Rasmussen
10 Department Personnel: Shannon Cottam, Lloyd Cheney, Todd Christensen,
11 Francisco Astorga, Alan West, Greg Martin, Dan Urban,
12 Tyson Beck, Ted Elder
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14 Official Notice of this meeting had been given by posting a written notice of same and an agenda at
15 the City Hall and providing copies to the following newspapers of general circulation: Davis County
16 Clipper, Standard Examiner, and the Utah Public Notice Website.
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18 Committee chair Randy Lewis attended the meeting via Zoom and telephone. Given the
19 circumstances, Committee Chair duties were delegated by the chair to Committee member Kate
20 Bradshaw. The meeting was called to order at 4:05 p.m., and those in attendance were welcomed.

21 Gary Hill, City Manager, reviewed the newly updated narrative sections in the budget and how they
22 flow in describing essential roles of departments and budget priorities.

23 **PRESENTATION OF BUDGETS**

24 **Treasury Department**

25 Ted Elder, City Treasurer, presented the budget of the Treasury Department. An overview of the
26 department responsibilities was given along with budget priorities related to software utilization, staff
27 training and investment activities. Notable changes in budget line items were reviewed with the
28 committee and questions were addressed.

29 Committee members conferred on the manner that would be followed for consideration of approval
30 for budgets presented tonight. It was decided by consensus decision that all budgets would be acted
31 upon at the end of the meeting via motion and second.

32 **City-wide Financial Overview**

33 Gary Hill reviewed for the Committee a City-wide budget overview. The Fiscal Year 2021-2022 budget
34 has been prepared using a newly revised narrative format. The budget includes a Cost-of-Living
35 Allowance (COLA) of 2%; Merit based pay adjustments for eligible employees; market adjustments are
36 included in a few departments like the Light & Power and Police departments along with one Human

1 Resource position. There is no increase in the budget for health insurance due to favorable renewal
2 rates received from both health insurance carriers. Some new staff positions are proposed for
3 addition:

- 4 • Two new Parks employees
- 5 • One new Information Technology employee
- 6 • Movement of the contract Planner position to full-time permanent status
- 7 • New positions in some of the Enterprise Funds (which will be further outlined in Council
8 Committee budget meetings to be held this week and next week).

9 It was noted that more and more sales tax is needing to be allocated annually to cover General Fund
10 activities rather than Capital improvements. In the Fiscal Year 20201-2022 budget, only 28% of total
11 sales tax is being allocated to Capital Fund where historically the Capital Projects Fund has received
12 more than 50% of the total sales taxes received by the City. This condition results in less money being
13 available for infrastructure ongoing. As a result of changing financial conditions in the City's tax
14 supported funds, there is a growing need for consideration of adjustments in the general property tax
15 rate to bring in more property tax revenue. This tax revenue is needed to address the structural
16 imbalance that is growing between revenue sources and for funding growth in expenditures for
17 ongoing programs and new initiatives.

18 **Human Resources Department**

19 Shannon Cottam, Human Resources Director, presented the budget of the Human Resources
20 Department. She outlined services provided by the department to both the City and the South Davis
21 Recreation District. A question was asked on the value of the services and whether the District is
22 billed for services. Galen Rasmussen, Assistant City Manager, noted that the Fiscal Year 2021-2022
23 budget value is set at \$153,500 based primarily on the allocated costs of City employees providing
24 administrative services to the District. The District is billed monthly for these administrative services.
25 The Human Resources department provides both payroll and employee benefit services along with
26 administrative support for the Workers' Compensation Fund as well. The Payroll Coordinator will be
27 retiring in June and there will be a transition for a few months to recruit and train a new individual for
28 this position.

29 Line items within the budget with notable changes were outlined (primarily related to the change in
30 the Payroll Coordinator). A question regarding Workers' Compensation methodology was asked (self-
31 insured versus premiums to standard insurance). Further explanation will be given during a later time
32 in the budget.

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1 **Information Technology Department**

2 Alan West, Information Technology Director, was asked to present the budget for the Information
3 Technology Department. Alan reviewed priorities which include implementation of recommendations
4 of a recently completed computer network vulnerability assessment along with working on business
5 continuity and viability plan. Plans are also underway to hire for a newly created full-time employee
6 position to assist with department operations.

7 A reallocation of Information Technology hardware costs to each City department has been made in
8 the budget with the intent of better reflecting the true cost of doing business in each department of
9 the City. Previously, these hardware costs were accounted for in the Information Technology
10 Department. Given this, the department no longer has a long-term capital plan to present.

11 **Computer Replacement Fund**

12 Alan West presented the budget for the Computer Replacement Fund. This fund is used to primarily
13 to purchase replacement computers and servers for city-wide departments. A revised capital plan for
14 this fund will be forthcoming and will appear in the final budget following the existing inventory and
15 needs assessment underway by staff. Gary Hill noted for the Committee members the need for the
16 additional staff member in the Information Technology Department. Large amounts of over-time
17 have been worked over the past few years by existing staff just to keep up with service levels which
18 have increased. Alan West noted that the same staff size of 3.5 FTEs has existed for at least 20 years
19 but resources under management by the department have grown consistently over those years.

20 **Engineering Department**

21 Lloyd Cheney, City Engineer, presented the budget of the Engineering Department along with Todd
22 Christensen, Assistant City Engineer. A review of the services provided by the department was made
23 and it was noted that the long-time Chief Building Official retired recently but has been replaced by
24 Don Simons who was most recently employed by Draper City. The department is in the process of
25 transitioning building inspection and permitting functions to a more digital and paperless
26 environment to better serve the needs of industry and the community. Lloyd noted that the critical
27 ongoing functions of the department include identification of infrastructure needs; review of
28 development projects; and building permits and inspections.

29 Projects of note in the Fiscal Year 2021-2022 budget include the 1000 North reconstruction project.
30 Questions were asked by committee members regarding how road surfacing choices will be made on
31 the 1000 North project and other similar projects. Lloyd noted that the key decision points for choices
32 depend in part, on the location, expected maintenance costs and similar factors for a rigid versus
33 flexible surface. Other projects discussed during the review of the Engineering Department included:

- 1 • The Eagle Ridge Drive extension project. Workload for the design of this project will be
2 accomplished through contracted resources given demands on in-house staff with other
3 projects.
- 4 • The former Washington Elementary property development for recreation purposes.
- 5 • Development of a trailhead facility at North Canyon.
- 6 • Bountiful Town Square and City Hall projects monitoring after completion.

7 Questions on budget line items were addressed. Changes have been proposed in department fees for
8 bonding rates. These changes are intended to help cover departmental costs for services provided.

9 **Planning Department**

10 Francisco Astorga, Planning Director, presented the budget request of the Planning Department. An
11 outline was given of department responsibilities related to developments in the City, zoning and
12 enforcement, and redevelopment. Questions were asked by committee members regarding staffing
13 changes with a particular reference to the shifting of an employee from contract status to full-time
14 regular employee status. This reclassification from contract to regular full-time was made for the
15 purpose of establishing permanent staffing resources for handling new and existing department
16 workload. The employee transferred from contract status will be able to free up the Planning Director
17 for other duties on an ongoing basis. A discussion on the fee schedule of the department was held.
18 The Planning Department staff noted that work will be underway starting in Fiscal Year 2022-2023 to
19 adjust fees for both development and licensing. Fee comparisons made with other cities have shown
20 that Bountiful City's Planning related fees are less than many others. The structure of fees should be
21 designed to be close to the cost of providing the related services.

22 **Redevelopment Agency (RDA) Fund**

23 Francisco Astorga reviewed the Operating Fund and Revolving Loan Funds. Questions were asked by
24 Committee members and answers were provided for the questions on activities within the RDA areas.
25 Gary Hill reviewed the overall RDA long-term capital improvement fund with committee members and
26 noted that projects are being focused on improvements needed in the downtown area including the
27 replacement and improvement to existing areas and amenities.

28 **Finance Department**

29 Tyson Beck, Finance Director, was asked to present the budget of the Finance Department. A review
30 was given which centered on changes in upcoming financial reporting standards that will involve many
31 department's input. Finance staff will have involvement with new projects including accounting for
32 the former Washington Elementary site and changes in the MUNIS software version in use.

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Debt Service Fund Budget

Tyson Beck presented the budget request for the Debt Service Fund. This is an inactive fund which only earns a minor amount of interest annually. Future debt service of General Obligation Bonds will be accounted for in this fund.

Municipal Building Authority Fund

This fund is now inactive and will be closed out in Fiscal Year 2020-2021.

Cemetery Perpetual Care Fund

Tyson Beck mentioned that the Cemetery Perpetual Care Fund is used to accumulate monies for the eventual ongoing maintenance of the City’s cemetery property. This maintenance will be in perpetuity once all lots have been sold. Revenue streams include a portion of lot sales revenue along with interest income.

Landfill Closure Fund

As noted by Tyson Beck, this fund accounts for the closure and post closure care costs of the City’s landfill. Revenues are derived from interest income.

Legislative Department

Gary Hill presented the Legislative Department budget. A review was made of key projects including the upcoming municipal election, involvement with the former Washington Elementary property, trails development, and revisions to the City budget presentation.

Executive Department

Gary Hill presented the Executive Department budget. This department includes the City Manager, Assistant City Manager, City Recorder, and a part-time employee for special projects. A review was made of the budget priorities in support of other department activities. As noted previously, a new budget format has been implemented for Fiscal Year 2021-2022 which both Gary Hill and Galen Rasmussen have been working on with every department.

Legal Department

Clint Drake, City Attorney, was unavailable for the meeting today so Gary Hill outlined the budget request for the Legal Department. Budget changes stem from merit pay and some changes in professional and technical services related to providing public defender services upon judge recommendations.

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Liability Insurance Fund

Gary Hill presented the budget request for the Liability Insurance fund. This fund includes coverage for liability, property and similar coverage areas that are then allocated to benefitting departments. A question was asked as to the changes in insurance premium levels. Gary Hill and Galen Rasmussen outlined the structure of the fund which includes premiums paid for city-wide liability coverage, property, and related coverage areas. The new Bountiful Town Square property, former Washington Elementary property, and remodeled City Hall locations have recently been added to the City’s property policy which caused some increase in premiums.

Workers’ Compensation Fund

Gary Hill presented the budget request for the Workers’ Compensation Fund. This fund includes insurance protection for employees working on City projects and activities. There have been increases in employee injuries over the past year so the fund shows increased costs in claims paid. Departments of the City receive an allocable share of workers compensation fund costs annually to properly show costs and benefits at the department and/or fund level.

Committee Action and Adjourn

A suggestion was made by Committee member Bradshaw that the Council Policy Priority in Tier 3 titled “Quality & Varied Recreational Opportunities” be reevaluated and considered for movement to Tier 2. Gary Hill mentioned that this matter will be brought up for discussion during the overall budget review when all elected officials will be present to allow comment.

Committee chair Lewis asked to be excused toward the end of the meeting but expressed his approval for all budgets presented. Committee member Bradshaw made a motion for approval of all budgets presented. This motion was seconded by Committee member Bahr. Voting was unanimous with Committee member Lewis, Bahr and Bradshaw voting aye.

The meeting adjourned at 6:20 p.m. on a motion made by Committee member Bradshaw and seconded by Committee member Bahr. Voting was unanimous with Committee members Bahr, and Bradshaw voting “aye”.