

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

3 Bountiful City Hall Council Work Room

4 April 11, 2022 (4:00 p.m.)
5

6 Present:

7 Committee Members: Kendalyn Harris (Chair), Jesse Bell, Millie Segura Bahr,
8 Kate Bradshaw
9 City Manager: Gary Hill
10 Assistant City Manager: Galen Rasmussen
11 Department Personnel: Clint Drake, Shannon Cottam, Lloyd Cheney, Todd
12 Christensen, Francisco Astorga, Greg Martin, Tyson Beck,
13 Ted Elder
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15 Official Notice of this meeting had been given by posting a written notice of same and an agenda at
16 the City Hall and providing copies to the following newspapers of general circulation: Davis Journal,
17 Standard Examiner, and the Utah Public Notice Website.
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19 Committee chair Kendalyn Harris opened the meeting with a call to order at 4:02 p.m., and those in
20 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 **City-wide Financial Overview**

25 Gary Hill provided the Committee with a City-wide budget overview. No general property tax increase
26 is being proposed and property tax is anticipated to be within budget expectations. Gary outlined the
27 overall revenue structure of the General Fund which includes property tax, sales tax, franchise type
28 taxes and miscellaneous other sources. Sales Tax increases over the last two fiscal years were at 15%
29 in fiscal year 2021 and are trending at 12% for fiscal year 2022. Trends in sales tax are not expected to
30 be sustainable long-term so staff is budgeting carefully to compensate for this expectation. The
31 budget for fiscal year 2022-2023 includes a Cost-of-Living Allowance (COLA) of 3%; merit based pay
32 adjustments for eligible employees; market adjustments in a few departments like the Streets and
33 Police departments along with department head positions. A review of General Fund expenditures
34 was made as well with highlights on personnel services which reflect about \$1.2 million increase in
35 salary costs (\$900,000 of which is for Police). There is a 4% increase in the budget for health
36 insurance premiums due to combined renewal rates received from both health insurance carriers
37 used by the City.

1 Galen Rasmussen noted that more and more sales tax is needing to be allocated annually to cover
2 General Fund activities rather going toward funding of capital improvements. For instance, in the
3 Fiscal Year 2021-2022 budget, only 28% of total sales tax was being allocated to Capital Fund where
4 historically the Capital Projects Fund has received more than 50% of the total sales taxes received by
5 the City. This condition results in less money being available for infrastructure ongoing.

6 **Treasury Department**

7 Ted Elder, City Treasurer, presented the budget of the Treasury Department. An overview of the
8 department was provided including the major functions which include utility customer service, and
9 treasury functions of collection, safeguarding and investing of city funds. Ted Elder is a member of the
10 Utah Money Management Council which is the body that oversees all public investment in the State.
11 Ted is also a member of the board of the Utah Association of Public Treasurers. Reporting
12 requirements on investments were also mentioned as a major function. Department staff are looking
13 toward the upgrade of the MUNIS and related software platforms and plan to provide training
14 opportunities to staff members to keep up to date on that software. The department continues to
15 offer and encourage customer use of electronic payment options instead of in person or mailed
16 payments. Ted reviewed for the committee the major line item changes in expenditures along with
17 and the organization structure.

18 **Finance Department**

19 Tyson Beck, Finance Director, was asked to present the budget of the Finance Department. A review
20 of the department's major functions was reviewed which are primarily related to financial accounting
21 and reporting for both Bountiful City and the South Davis Recreation District which the Finance and
22 other City staff serve through an interlocal agreement. The organization structure of the department
23 was outlined along with their responsibilities. Fiscal year priorities were outlined including work with
24 other departments for securing a General Obligation Bond issue to help with funding for Washington
25 Park and trails projects throughout the City. Discussion on the implications of timing for bond
26 issuance with rising interest rates was discussed. Tyson Beck and Galen Rasmussen mentioned that
27 the firm of Lewis Young has been advising the City staff on appropriate timing and bonding structures.
28 Other priorities of the department include study and implementation of Government Accounting
29 Standards Board (GASB) standards each year to the financial statements along with plans for the
30 upgrade of the MUNIS software platform as discussed in the Treasury budget review. A discussion
31 regarding the services provided to the Recreation District was held. Tyson noted that Bountiful City
32 charges for services based on an allocable share of time spent in serving the District's needs.
33 Performance measures were also reviewed along with line item budget detail highlights.

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1 **Debt Service Fund Budget**

2 Tyson Beck presented the budget request for the Debt Service Fund. This is currently an inactive fund
3 which only earns a minor amount of interest annually. However, the future debt service of General
4 Obligation Bonds will be accounted for in this fund in the new fiscal year. As such, an estimated
5 revenue of \$1.2 million is budgeted for fiscal year 2023.

6 **Cemetery Perpetual Care Fund**

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

11 **Landfill Closure Fund**

12 As noted by Tyson Beck, this fund accounts for the closure and post closure care costs of the City's
13 landfill. A review of the transition of the landfill from joint ownership with neighboring cities to
14 Bountiful City ownership was provided along with a mention of the available funds for ultimate
15 closure and post closure care which currently total approximately \$3 million. Revenues are derived
16 from interest income.

17 **Human Resources Department**

18 Shannon Cottam, Human Resources Director, presented the budget of the Human Resources
19 Department. An outline of duties in the department was made including the department's service to
20 the City and Recreation District. Changes in staffing from retirement of a long-term employee last
21 year now brings a need for training and greater efficiencies. It was noted that hiring of employees
22 citywide continues to be a challenge given a difficult labor market. A discussion ensued regarding
23 training opportunities for employees. It was noted that one such event would be held as a day long
24 event on Columbus Day. There was also a mention of the ongoing practice of rotating market studies
25 on job positions with a focus of maintaining competitive compensation and benefits when compared
26 with similar entities. A review of department performance measures was made along with a line item
27 budget highlight for key areas.

28 **Engineering Department**

29 Lloyd Cheney, City Engineer, presented the budget of the Engineering Department along with Todd
30 Christensen, Assistant City Engineer. A handout showing data on monthly tasks performed in the
31 department was distributed. The Building department tasks included administrative duties, permit
32 processing, inspections and customer service at the counter. Engineering department tasks include

1 administrative duties, development reviews, design and management of projects, permitting and
2 inspections, along with environmental program management.

3 Major roles and critical functions were reviewed along with fiscal year priorities. Priorities for the
4 upcoming fiscal year include the:

- 5 • Eagle Ridge Drive project.
- 6 • North Canyon Trailhead.
- 7 • Trails master plan.

8 A review of the Engineering department line-item budget was made with highlights on significant
9 dollar changes including personnel services categories and the transitioning of new staff which require
10 use of contracted professionals for a time. Other changes include changes in fees for certain permits
11 and other services in the department as previously reviewed with the Mayor and Council.

12 **Planning Department**

13 Francisco Astorga, Planning Director, presented the budget request of the Planning Department. A
14 review of fiscal priorities of the department was made including a General Plan update; trails master
15 planning; BRT corridor support; along with the training and development of new staff as a key priority.

16 Questions from the committee centered on staff recruiting plans and selected projects. A review of
17 line-item budgets was made with a note that the large reduction in expenditures for professional
18 services was due to a contract change. Credit card charges were questioned by committee members
19 and they expressed a desire for a study on ways the City could recover these credit card fees in the
20 future through adjusting associated fees in each department. Performance measures were also
21 reviewed by Francisco.

22 **Redevelopment Agency (RDA) Fund**

23 Francisco Astorga reviewed the Operating Fund and Revolving Loan Funds budgets along with stating
24 the purposes of the agency in relation to development in the project area which includes historic main
25 street updates. Fiscal year priorities include pedestrian, parking, and lighting along with related
26 improvements on main street. Work in fiscal year 2023 will be centered primarily in design work with
27 most capital improvements coming later. Long-term capital plans of the RDA were reviewed along
28 with funding methodologies.

29 **Information Technology Department**

30 Greg Martin from the Information Technology Department presented the budget for the Department.
31 Fiscal year priorities were highlighted including continued implementation of recommendations of a
32 prior network security and vulnerability assessment. Disaster recovery and data backup efforts are a

1 priority along with helping to coordinate the fiber to the home study; migration of the city's internet
2 domain will be a key activity along with implementation of the Spillman computer CAD system. Line
3 items in the budget were reviewed. The addition of a new helpdesk employee was noted as a major
4 improvement in helping to provide timely and professional service to departments. Other changes in
5 the personnel services area for the new fiscal year include cost of living, merit increases and market
6 adjustments. Additional discussion focused on the security access to systems and efforts made to
7 secure City network access. Performance measures were highlighted with particular mention of the
8 number of servers managed and data capacity increases.

9 **Computer Replacement Fund**

10 Greg Martin and Gary Hill presented the budget for the Computer Replacement Fund. This fund is
11 used to primarily to purchase replacement computers and servers for city-wide departments. About
12 40 computers are replaced per year. Supply chain issues have affected replacement equipment
13 availability.

14 **Legal Department**

15 Clint Drake, City Attorney, reviewed the budget request from the Legal Department. Fiscal year
16 priorities were reviewed including the defense of city interests in civil and other matters; assistance
17 provided to the Planning Department was noted as a significant time commitment along with other
18 legal support to departments of the City. Training of employees is conducted regularly for
19 minimization of risk. It was noted that the Legal department is involved in every personnel action
20 along with the City Manager and Human Resources. Another priority in the new fiscal year will be the
21 implementation of improvements in prosecutor processes and procedures to achieve greater
22 efficiencies.

23 Line-item changes in the budget were highlighted including changes in support of improving the
24 efficiencies of the Prosecutor function such as technology upgrades.

25 **Liability Insurance Fund**

26 Clint Drake presented the budget request for the Liability Insurance fund. This fund includes coverage
27 for liability, property, and similar coverage areas that are then allocated to benefitting departments.
28 Line-item budget changes were highlighted including further outside legal counsel assistance on
29 claims. There was note made of the needs for drawing on fund balance to sustain operations.

30 **Workers' Compensation Fund**

31 Clint Drake presented the budget request for the Workers' Compensation Fund. This fund includes
32 insurance protection for employees working on City projects and activities. Line-item budget review
33 was made and similar mention was made of the need to draw on fund balance to sustain operations.

1 **Legislative Department**

2 Gary Hill presented the Legislative Department budget. A line-item budget review was made noting
3 that the department provides contributions to community groups along with paying for personnel
4 services of the elected officials. Changes in the budget include increased amounts due to the Utah
5 League of Cities and Towns but there is a decrease in the amount budgeted for elections since there is
6 no municipal election this coming fiscal year. Major capital projects were outlined including the
7 Washington Fields complex and \$150,000 set aside as a contingency amount for unexpected needs.

8 **Executive Department**

9 Gary Hill presented the Executive Department budget. Line-item budget review included note of
10 personnel services increases which are primarily from a cost of living allowance.

11 **Committee Action and Adjourn**

12 Committee chair Harris asked for a motion to approve the budgets presented. Committee member
13 Bahr made a motion for approval of all budgets presented. This motion was seconded by Committee
14 member Bell. Voting was unanimous with Committee member Harris, Bell and Bahr voting aye.

15 The meeting adjourned at 7:08 p.m. on a motion made by Committee member Bahr and seconded by
16 Committee member Bell. Voting was unanimous with Committee members Harris, Bell, and Bahr
17 voting "aye".