

1 Minutes of the  
2 BOUNTIFUL CITY FINANCE COMMITTEE

3 November 9, 2021 – 5:15 p.m.

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5 Present: Mayor Randy Lewis  
6 Councilmember Kate Bradshaw  
7 Excused: Councilmember Millie Segura Bahr  
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9 Department Directors/Staff:  
10 Finance Director Tyson Beck

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12 Official notice of the City Council Meeting was given by posting an agenda at the City Hall  
13 locations (795 South Main Street) and on the Bountiful City Website and the Utah Public Notice  
14 Website.

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16 **5:15 p.m.**  
17 **City Hall Council Conference Room**

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19 Mayor Randy Lewis chairs this committee, the meeting began at 5:28 p.m.

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21 **REVIEW OF THE FISCAL YEAR 2021 ANNUAL COMPREHENSIVE FINANCIAL**  
22 **REPORT (ACFR) – MR. TYSON BECK**

23 Tyson Beck, Finance Director, began by stating that the ACFR and independent financial  
24 audit for the fiscal year 2021 were complete and will be submitted to the various regulatory and  
25 statutory agencies.

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27 Mr. Beck then reviewed with the committee the financial results for fiscal year 2021. This included a  
28 review of each of the City’s operating fund’s net income or loss as well as their equity positions. The  
29 cash and investment balances of the City were also reviewed.

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31 It was noted that the Capital Projects, MBA, and Landfill & Sanitation funds had fairly significant net  
32 losses during the year. The Capital Projects fund was a planned shortfall as fiscal year 2021 incurred  
33 major project costs for the City Hall remodel, Washington Park, and North Canyon trailhead projects.  
34 The MBA entity was dissolved during the fiscal year transferring its assets to the General Fund. The  
35 Landfill & Sanitation fund forgave a \$2.46 million interfund loan to the Water fund.

36  
37 The City’s General Fund and Water fund has significant net incomes in fiscal year 2021. The General  
38 Fund’s large net income was due predominately to a large allocation of the City’s overall sales taxes  
39 as the State Legislature amended the previous fund balance maximum percentage of total revenues  
40 from 25% up to 35%. The Water fund large net income was mostly due to the interfund loan  
41 forgiveness from the Landfill & Sanitation Fund.

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43 Additionally, because of the cash outflows from the fiscal year 2021, the City’s overall cash and  
44 investment balances decreased for the second consecutive fiscal year. It was discussed that the  
45 decrease is not entirely unexpected as the City’s financial philosophy of ‘pay-as-you-go’ does  
46 occasionally require the use of cash reserves for significant projects, as well as the Light & Power  
47 fund paying off its outstanding bonds of \$9.3 million early.

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2 The financial review also covered some of the Management’s Discussion and Analysis section of the  
3 ACFR. That section compares and contrasts the statements of net position and revenues/expenses  
4 from fiscal year 2020 to fiscal year 2021.

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6 In compliance with the City’s newly adopted *Fund Balance & Reserves Policy*, there was a review of  
7 all the required reserve balances and how they compared to the minimum reserve balances. All funds  
8 complied with the policy with the exception of the Recycle fund. It was noted that the Recycle fund  
9 qualifies for a policy exception due to City Council direction to subsidize those operations; however,  
10 its fiscal year 2021 operations did improve as a rate increase was implemented and the recycle market  
11 has improved. It was also noted by Mr. Beck that the Capital Projects fund and the Golf fund are  
12 getting fairly close to the point where they will be using minimum reserves.

13  
14 Mr. Beck specifically addressed some financial concerns with the Golf fund operations. There are no  
15 easy answers to resolve the negative financial trends in these operations as this is believed to be due  
16 to decreasing demand throughout the golf industry. The operations will continue to be monitored  
17 closely.

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19 **REVIEW OF THE FISCAL YEAR 2021 INDEPENDENT FINANCIAL STATEMENT**  
20 **AUDIT**

21 Due to the need to move on to the scheduled City Council work session this discussion was  
22 moved to the scheduled City Council agenda item.

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24 The Finance Committee meeting was adjourned at 5:57 p.m.

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Mayor

  
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City Recorder