COMMISSIONERS' MINUTES – DAVIS COUNTY

WORK SESSION MEETING MINUTES
Tuesday, August 8, 2023

The Board of Davis County Commissioners met for a Work Session at 8:30 AM on Tuesday, August 8, 2023, in room 306 of the Davis County Administration Building, 61 South Main Street, Farmington, Utah. Required legal notice of this meeting was given.

All documents from this meeting are on file in the Davis County Clerk's Office. The agenda for this meeting is incorporated into the minutes as item headers.

DISCLAIMER

The meeting was an open dialogue. Critical points in the discussion have only been briefly summarized. The reader may refer to the audio recording and the publicly distributed materials for further clarification of the content. Timestamps have been noted in the minutes to aid in locating points of discussion in the audio record. The audio recording for this meeting is available based upon the County's current retention schedule.

ROLL CALL:

Chair Lorene Miner Kamalu
Vice Chair Bob J Stevenson
County Auditor Curtis Koch
Attorney's Office Senior Civil Counsel Mike Kendall
Chief Deputy Clerk Rebecca Abbott
Deputy Clerk Becky Wright

Information Systems Director Mark Langston
Information Systems Kyle Garfield
Assessor's Office Temporary Manager Andy Hansen
Personal Property Team Lead Shanae Perez
Human Resources and Risk Director Chris Bone

Excused
Commissioner Randy Elliott

OPENING

The meeting convened at 8:31 AM.

AGENDA ITEMS:

 # 623/2023. Work Session - Data Migration Personal Property Taxes; Assessor's Office, Auditor, and Information Systems *— presented by Commissioner Stevenson*

Commissioner Bob Stevenson started the Work Meeting. He noted that Commissioner Randy Elliott was excused because he was on vacation with his family, and that Commissioner Lorene Kamalu would be arriving shortly. (Commissioner Kamalu arrived at 8:33 AM, coming from the 7:30 AM Board of Health meeting.)

Discrepancies in Personal Property Taxes were discovered during the migration of data to a new system. Commissioner Stevenson said he hoped this discussion would allow the County to get these things taken care of smoothly. Conversation focused on ascertaining the cause of the discrepancies, whether all of the discrepancies had been identified and taken care of so they won't cause more issues, and what can be done to improve the system so it won't happen again.

Shanae Perez explained that, under the old Personal Property Tax process, businesses filed Personal Property Taxes based on their own classification of assets. The filer figured out their tax rate, the amount owed, and submitted their filing with a check for the amount they thought was correct. The Assessor's Office would then receive the filing. Assessor's Office appraisers would find errors in classification as they worked the filings, so they would move things around and find that the tax rate used wasn't accurate. Then the County would have to mail the business a bill for more funds or issue a refund for overpayment of taxes. Mark Langston added that sometimes the check a business sent was held as long as four weeks before cashing, while the appraisers worked the filing. Sometimes the check was bad or the amount due and the amount paid were different. He further explained that the whole process started with the Assessor's Office sending out a notice to the business, at which point a bill was created in the system. Many times that bill wasn't overwritten; a new bill was created and funds were paid against that bill.

Mark explained that as Information Systems is writing the new system, they are not taking the values on the screen. Instead, they are going back to all of the receipts and converting the receipts over to the new system and making sure those balance. That is how they are finding anomalies.

Andy Hansen said to keep this from happening in the future, the Assessor's Office changed the process this year. Now a business submits their filing, then the Assessor's Office works the account and mails a bill, and then the business pays. This is

more accurate, so the County does not have to rebill or refund money.

Discussion turned to reconciliation, and whether that should have been happening within the Assessor's Office or the Treasurer's Office. Auditor Curtis Koch said both. The receipt was happening in the Assessor's Office, so they were the primary fiduciary to reconcile and make sure that money going on accounts was properly handled. Then it became the Treasurer's responsibility to distribute those taxes. If the distribution doesn't reconcile with the money that has come in, there's a problem. It was noted that on multiple occasions, for the end of year final distribution, there was either extra money or not enough.

It was recognized that the process of moving funds in and out of holds, and distributing them to tax entities then pulling them back as filings were worked and audited, could cause confusion. Appreciation was expressed for former Assessor Lisa Manning, and the team in the Assessor's Office, for changing the process.

Commissioner Stevenson asked what should be done in cases where individuals were found to owe taxes, for up to three years ago, due to errors in the County's system. Auditor Curtis Koch replied that Commissioners had already set the precedence by how a similar situation with the Treasurer's Office was handled, in which money owed the County was written off and some refunds were issued.

Commissioner Stevenson asked how the County can make sure this doesn't happen again. Andy Hansen referred to the Auditor's earlier comments, and said that the simple answer is daily reconciliation. The Assessor's Office no longer accepts money, but they can run delinquency reports and notice discrepancies. Shanae said they can see in their system when the Treasurer's Office has applied checks to accounts. The Auditor said deposits can be matched against invoices.

When asked if the errors found could cause more issues in the future, Mark Langston indicated he is confident with the work done in the conversion to the new system. The Auditor said he asked a lot of questions in multiple meetings; because the Assessor's Office immediately engaged, and IS checked the work a second time, he is a lot more confident in this approach.

Commissioner Kamalu asked about the process for pulling money back, if needed, after it's already been distributed to taxing entities. The Auditor explained that, instead of taking money back, future distributions are shorted.

If the responsibility for reconciling properties is now supposed to be done in the Treasurer's Office, Commissioner Kamalu said, the County needs to make sure it is being done properly. She asked whether a performance audit would be helpful to everyone involved. Curtis Koch said there have been financial audits done with recommendations that have been ignored. If the recommendations of the auditor are ignored, on simple reconciliation, you're not going to get anywhere. The Auditor noted that, in Davis County's form of government, Commissioners can request a performance audit. He also said that if the Commission feels that it would be appropriate to write a financial policy, which then overlaid everybody in the County, they could do that.

Commissioner Stevenson said another meeting will be held regarding this topic.

MEETING ADJOURNED

Meeting was adjourned at 9:10 AM.

ATTACHMENTS

No materials were distributed at this meeting.

Minutes Prepared by:

Becky R. Wright
Deputy Clerk

Minutes Approved on:

08/22/2023

Brian McKenzie
Davis County Clerk

Lorene Miner Kamalu
Commission Chair