Davis County Budget Committee

Meeting Minutes

October 24, 2023

The Budget Committee of Davis County met on October 24, 2023, at 11:00 a.m. in room 306 of the Davis County Administration Building, 61 South Main Street, Farmington, UT. Notice of this meeting was given under the requirements of Utah Code Annotated §52-4-202.

Disclaimer: The meeting was an open dialogue. Agenda items appear in bold and are only briefly summarized. The reader may refer to the audio recording and the attachments for further content clarification. Timestamps may be noted in the minutes to aid in locating discussion points in the audio record. The audio recording is available based on the County's current retention schedule.

Note: The Budget Committee met to continue discussing the 2024 budget requests. This meeting facilitated the need to work through the budget process more transparently. These Committee discussions help narrow the decisions for budget cuts and approvals during budget consideration. They should not be assumed to be final until the final budget is approved through formal action by the Commission.

The meeting commenced at 11:10 a.m.
Recorded as Audio Session one:

Opening Roll Call

Committee members present were Curtis Koch, Auditor; Angie Nelson, Chief Deputy Auditor; Commissioner Randy Elliott; Commissioner Lorene Kamalu; Commissioner Bob Stevenson; Chris Bone, Human Resources Director; and Mark Langston, Information Systems Director. Shairise Bills, Deputy Auditor, recorded the minutes of the meeting. There was no public attendance.

2024 Budget Discussion

The Tentative Budget was filed with the Commission this morning in Commission Meeting. Curtis gave a high-level overview of the Tentative Budget Final Page line items for the continuing discussion of budget request approvals that still need to be done before the final budget is adopted. The Fund Balance as of December 31, 2023, showed $33.6 million and is projected to be $21.3 million by the end of 2024 if no cuts are made to the tentative budget. *(See Attachments A1-A2.)*

The County just received its August sales tax revenue figures of $2,075,643, which was -3.23 percent year over year, which means it continues to slide, and there is no way it will hit three percent projections for September-December 2023. *(See Attachment B.)*

Curtis explained the 3-year projections for turnback and spend-down. With no cuts (a $12,336,274 spend-down) and a $4 million turnback, the budget will be at $25.2 million for 2025. The following year will be more tricky. Suppose

the spend down and turnback continue at the same rate. Couple that with the loss of State Local Fiscal Recovery Funds (SLFRF) revenues [of $1.7 million] and the end of SLFRF funding for the Pre Trial, Attorney, and Legal Defenders [of $1.2 million], and the projected 2026 Beginning Balance leans to approximately $13.7 million and becomes unsustainable. *(See Attachment C.)*

Curtis explained the COLA and merit increases for Weber County as a reference point for Davis County to use as they work through their COLA and merit considerations. A 1 ½ percent increase, fully loaded for all positions, would result in an $857,000 expense increase for Fund 10 [General Fund], just under $200,000 in Fund 15 [Health fund], and just under $100,000 for Library [Fund 23]. The Committee discussed the capital requests.

The Committee took a short break at 12:09 p.m. and reconvened the meeting at 12:21 p.m.
Recorded as Audio Session 2:

The Committee continued to discuss at length the COLA and employee merit increases. Curtis shared some COLA and Merit Data from Utah Entities showing what increases they gave in 2022. He mentioned that some counties use the LATCF, or the Local Assistance and Tribal Consistency Funds, to help fund their increases because there are no use restrictions on that money. Mark said, for the record, "The COLA should be more than 1 ½ percent because employees can see what is happening around them, and it may come back and bite us." He thought it should be in the 3-4 percent range. *(See Attachment D.)*

Curtis explained his creative idea to draw on some Tourism funds to put back into the General Fund. The County bonded, with General Fund money, in 1988 to purchase the land on which the Justice Complex and the Events Center sit. The land was supposed to be used for the future expansion of the jail, but the County has decided it will never be used for General Fund purposes. Curtis proposed selling or leasing the land to Tourism, making it an ongoing revenue stream.

The Commissioners weighed in about when they may have to go out for a tax increase and what conditions may trigger it. The last tax increase was in 2017. Commissioner Kamalu said she doesn't want to do one yearly, so it should be bundled to include Sheriff, Animal Care, and wherever else it is easy to defend, but she wants a single-digit increase. Commissioner Elliott agreed that a single-digit increase that included Animal Care (and maybe other areas at the same time) would likely need to happen in 2025. Commissioner Stevenson said he'd rather focus on creating more revenue than looking at tax increases but realized that one would have to be done for Animal Care in 2024 to carry them through the next 5-10 years. There was a lot of discussion about this.

Curtis asked the Commissioners how they wanted to proceed with the budget-cutting and approval process. It was decided that the Commissioners will meet individually with Curtis Koch, Auditor; Chris Bone, HR Director; and Mark Langston, IS Director, to discuss what budget cuts they want to make to the departments they oversee.

They will reconvene in a follow-up meeting with the entire Budget Committee to explain those cuts to the other Commissioners and discuss it together.

The meeting adjourned at 2:04 p.m.

All documents associated with this meeting are listed as the following attachments:

A1-A2	Tentative Budget Final Page
B	2024 Sales Tax Projections - Fund 10
C	3-Year Projection
D	COLA Amounts - Utah Entities - September 2022

Minutes prepared by:

Shairise Bills
Deputy Auditor

Minutes approved on: 11/13/2023

/s/ Curtis Koch
Curtis Koch
Auditor— Budget Officer