Davis County Budget Committee

Meeting Minutes

April 1, 2024

The Budget Committee of Davis County met on April 1, 2024, at 3:00 p.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 have been 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 is not a governing body but makes recommendations. These recommendations must then go through the Commission for formal action.

The meeting commenced at 3:00 p.m.

Opening Roll Call

Committee members present were Curtis Koch, Auditor; Angie Nelson, Chief Deputy Auditor; Commissioner Randy B. Elliott; Commissioner Lorene Miner; Commissioner Bob J Stevenson; Chris Bone, Human Resources Director; and Mark Langston, Information Systems Director. Other County staff present were Sydney Larrabee, Animal Care Deputy Director; Ashleigh Young, Animal Care Director; Ric Higbee, HR Deputy Director; Chief Deputy Sheriff Andy Oblad; Chief Deputy Sheriff Arnold Butcher; and Andy Hansen, Assessor. Shairise Bills, Deputy Auditor, recorded the minutes of the meeting. There was no public attendance.

Approval of Budget Meeting Minutes for 3/13/2023 *(Audio Recording part 1, Minute 00:44)*

Committee vote to approve:

MEMBER	MOTIONED	SECONDED	AYE	NAY	ABSENT	ABSTAIN
Commissioner Elliott			X			
Commissioner Kamalu			X			
Commissioner Stevenson			X			
Curtis Koch			X			
Angie Nelson			X			
Mark Langston	X		X			
Chris Bone		X	X			

Curtis Koch, Auditor, presented the following: *(Audio Recording part 1, Minute 01:02)*

a. SLFRF Update and End of Year 2023 Financial Statement for the Commission

Curtis said the fund balance will grow this year from $35.5 to $40.5 million by the end of 2024. He is also expecting some downtrend, but the County is still healthy. He said a reasonable goal is to stay above $25 million in General Fund balance.

Curtis gave an update on the current SLFRF projects, as shown on page three of his presentation. The County is about $46,000 short in available funds unless they can find some project savings elsewhere. Curtis is not confident that the $2 million set aside for the Warming Center/Homeless Shelter will be resolved before the money needs to be spent. Those funds have to be obligated by December 31, 2024.

On pages 4-9 of his presentation, Curtis explained the sales tax versus property tax, showing the tax growth over the years and the tax use by service type. Transportation tax has grown by 12% in the last four years, and General Government has decreased by 8%. He showed how transportation and tourism-related taxes are trending. With no turnback, expenses are outpacing revenues by 7%. SLFRF is inflating revenue numbers and will be going away next year. SLFRF had $3 million come in from interest. The fund balance is declining sharply. Property tax is flat, but SLFRF and sales tax have kept the County from a tax increase.

Curtis reviewed the major budget considerations for 2024/2025, including Fleet Management, the Jail Medical RFP, and the Crime Lab. He explained the major capital budget considerations, which included the South Branch Library build, Senior Center Buildings Central and South, and the Justice Complex regarding the Attorney leased space and the parking constraints. He proposed some ideas to offset the imminent Animal Care and General Fund tax increases by suspending Corridor preservation and leasing the Clark Lane land to CED/Tourism. The Corridor preservation suspension would allow the County to ask for a tax increase while showing how we are trying to give back money to its citizens. Curtis outlined the timeline leading up to the purchase of the Clark Lane land using General Obligation bonds. It was supposed to be used to build a hospital facility. When that didn't happen, land was eventually purchased for the Justice Complex, including the adjacent (Event Center) land. The purchase was for the protection of future growth. The County eventually decided there would be no future jail expansion onto the adjacent land and then bonded $50 million for the new Western Sports Park creation on that adjoining land, which is likely to be a +$65 Million Tourism project. Curtis said the Commissioners could continue and not take any action, or they could lease the land to Tourism from the General Fund or even look at purchasing the land to pay back the General Fund. The lease/purchase idea will be proposed to CED. *(See Attachments A-D.)*

b. Crime Lab Discussion *(Audio Recording part 2, Minute 06:30)*

The Sheriff said that there is a critical need in the crime lab. There is no space to store evidence and an increased need for work space to manage crime lab operations. They have considered other remodeling options for the current space, but the cost doesn't justify the result. To do so would only buy them three additional years before they are in the same critical situation. There is a second floor above the Jail Medical wing that they could build out and serve much longer into the future, but it would cost them a bit more. He said there are things they can do to mitigate some of the costs, including the type of shelving they choose. He estimates the costs to be approximately $2 million.

Animal Care Tax Rate Discussion—*Presented by Ashleigh Young, Animal Care Director (Audio Recording part 2, Minute 26:05)*

Ashleigh presented two options for the strategic plan that primarily address vehicles, added staff positions, and reviewed them by line item. The first plan totaled $1,193,289.99, and the second totaled $7,33,080.87. She looked for a recommendation from the committee. They recommended she go forward with Option 2.
(See Attachments E-F.)

Assessor Modeling Contract Discussion— *Presented by Andy Hansen, Assessor (Audio Recording part 2, Minute 39:44)*

Andy explained the need to increase the modeling contractor's (Russ Timeon) salary from $75,000 to $90,000. He has been the contractor since 2015 and has never asked for an increase, but he is now. They did not budget for any increases this year. Eventually, he will move to a contract consulting position. Andy will submit a budget amendment, which will be heard during the next budget opening.

Chris Bone, HR Director, presented the following:
Upcoming URS Rate Changes- Considerations and Planning *(Audio Recording part 2, Minute 39:44)*

Chris showed the URS rate change, scenario B. The employer rate will decrease by 1% for general employees and ½% for public safety employees, while the pension rates will increase by 2.14% for public safety employees and .7% for general employees. Davis County currently pays 2.59% of the pickup of public safety employees. After running several scenarios, they chose option B, as explained. This scenario requires the county to pay 2.14% for the Tier 2 public safety employees and increase the Tier 2 general employees base by 0.7% to keep them whole. This savings of $2.8 million over ten years will not account for any future variables. Doing an incremental pickup is suggested to allow the County to decide if they will continue paying as rates change.
(See Attachment G.)

Update Information-County Justice Services SLFRF Transition Planning *(Audio Recording part 2, Minute 39:44)*

Chris told the committee during the last budget meeting that he would come back with more specific information regarding SLFRF contractor positions for Legal Defenders. The 2024 annual salaries for several positions are budgeted at $264,164.10. For 2025, there will be a 3% increase totaling $272,089.02. The case managers are cumulatively at $210,741. These increases will be factored in during the annual budget process.

The meeting adjourned at 5:43 p.m.

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

A1-A15	Property and Sales Tax Budget Committee Presentation
B	2023 Final Budget Page Projections
C	2025 Cash Goals
D	2023 AVG Values
E	Animal Care and Control Truth and Taxation - Option 1
F	Animal Care and Control Truth and Taxation - Option 2
G	URS Rate Changes - Scenario B

Minutes prepared by:

Shairise Bills
Deputy Auditor

Minutes approved on: 5/13/2024

/s/ Curtis Koch
Curtis Koch
Auditor— Budget Officer