Davis County Budget Committee

Meeting Minutes

September 30, 2024

The Budget Committee of Davis County met on September 30, 2024, at 10:00 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 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 10:03 a.m.

Opening Roll Call

Committee members present were Curtis Koch, Auditor; Angie Nelson, Chief Deputy Auditor; Commissioner Randy Elliott; Commissioner Bob Stevenson; Commissioner Miner Kamalu; Chris Bone, Human Resources Director; and Jeff Hassett, Information Systems Director. Shairise Bills, Deputy Auditor, recorded the minutes of the meeting. Another Davis County staff present was Josh Johnson, Library Director.
There was no public attendance.

Proposed Approval of Budget Meeting Minutes for 9/16/2024 *(2024 End of Year Project…. And 2025 Rev Projections……..Audio Recording, Minute 01:05)*

The committee voted to approve the Budget Committee Meeting minutes for 9/16/2024:

MEMBER	MOTIONED	SECONDED	AYE	NAY	ABSENT	ABSTAIN
Commissioner Elliott			X			
Commissioner Kamalu	X		X			
Commissioner Stevenson			X			
Curtis Koch			X			
Jeff Hassett			X			
Chris Bone		X	X			

Chris Bone gave the committee a benefits update. HR has moved forward with changing the HSA contribution from $800/$1600 to $$825/$1650. The total cost of that increase is $18,975. The PEHP medical plan premiums will be averaged at 8.2% instead of 8.3%, as initially projected, offsetting the change in the HSA contribution. A few corrections were made regarding the benchmarking. Those costs came to $329,792.81.

Curtis Koch, Auditor, presented:

10:00-11:00 a.m. 2024 End of Year Projections, Fund Balances— *(2024 End of Year Project... And 2025 Rev Projections...Audio Recording, Minute 8:41)*
Curtis showed the 2024 Budget Final Page Projections and gave a high-level overview of each fund balance. The Housing Assistance Fund 12 is almost expended. There is a transfer out of the Health Fund of $4.06 million for capital projects. E911 is a challenge. Curtis said it is time to reduce the amount transferred from the General Fund and make cities pay their fair share. The 3rd Quarter Transportation Fund continues to grow, with projected revenues of $20.7 million and a fund balance of $63 million by the end of 2024, which can be used for corridor preservation. The fund balance is dropping by about $12 million.
(See Attachment A.)

11:00- 11:30 a.m. 2025 Revenue Projections, Tax Rates, New Growth *(2024 End of Year Project... And 2025 Rev Projections...Audio Recording, Minute 36:14)*
Curtis reviewed the 2025 departmental requests at a high level. He anticipates not funding all the budget requests because the budgeted revenues in Fund 10 were almost $87 million, and departments have asked for $105 million. Fund 12 Housing Assistance will sit there until people refinance their homes. Health Fund 15 is spending down its account by almost $600,000 but is managing its fund appropriately. Tourism Fund 18 is still growing its fund balance even with a $3 million debt service for Western Sports Park. Fund 19 E-911 will go negative, so a transfer of $200,000 from General Fund 10 is required. A lot has been budgeted in Fund 28 3rd Quarter Transportation Tax, but it is unlikely to be spent down. The Library Fund 48 is spending down but is still healthy and in a good position. Public Works Fund 24 will go negative unless some reductions are made. Insurance Fund 61, Information Systems Fund 62, and Dental Insurance Fund 74 will all be spent down. The General Fund 10 started at $41 million and will end at $20 million. Curtis said Davis County has a spending problem.
Curtis showed historical tax rates during the last tax increase and explained the property tax is not growing and new growth is not keeping up. He said 73% of the County's expenditure is in human capital. There was some discussion of historical turnback, unanticipated revenues, and a tax increase.
(See Attachments B, C, D1-D2, and E1-E7.)

11:30- 12:00 p.m. 2025 Transfers, Internal Service Allocations—*Presented by Angie Nelson, Chief Deputy Auditor (2024 End of Year Project... And 2025 Rev Projections...Audio Recording, Minute 1:54:17)*
Angie covered the 2025 Transfers, which included a $8.2 million transfer from the Capital Fund for the Animal Care Building Design and Construction, a $6 million transfer from the Tourism Operating Account to the Tourism Capital Reserves, and a $4 million transfer of fund balance for future Health Capital Reserves. She reviewed the line items for the 2025 Davis County Budgeted Transfers. The 2025 Transfers totaled $14,475,125.
(See Attachments F1-F4 and G1-G2.)

12:00- 1:30 p.m. Budget Committee Working Lunch —Review of Operating Growth/Variance—*Presented by Angie Nelson, Chief Deputy Auditor (Working Lunch-Allocations and Operating Growth_Variances Audio Recording)*
The Committee took a short break and reconvened at 12:39 p.m. Angie continued her presentation on Allocations from the previous agenda item. She explained the allocations for Insurance, Buildings and Grounds East, Buildings and Grounds West, and Information Systems. She showed the expense charts for the last four years across funds. She also showed bar graphs of departments with the highest growth compared to the previous year and four-year comparisons for payroll, operating, and capital expenses by organization and fund.
(See Attachments H1-H16, I1-I23, and J1-J42,and K1-K26.)

1:30- 2:00 p.m. DCEA—*Presented by Kevin Krantz, Davis County Employee's Association President* (*DCEA Audio Recording)*
Kevin Krantz presented the 2025 budget requests. He listed the DCEA's goals. They currently have 325 members, which is trending down. They have created a recruiting video he wants to show as part of the new employee orientation. A few changes happening in the organization include implementing a new financial process and continuing work toward updating the bylaws. He projected revenues of $8,790 and total expenses of $8,575 for 2024. Employee feedback included appreciation of the COLA, adjustments for URS changes, stable merit increases, and 401K match. The hopes for 2025 included continued low insurance premiums, continued 401K match, and a 2.5% COLA increase.
(See Attachments L1-L9.)

2:00- 3:00 p.m. Davis County Fleet Discussion—*Presented by Jon Thornley, Fleet Manager (Davis County Fleet Discussion Audio Recording)*
Adam Wright, Public Works Director, was with Jon to present the Fleet discussion. He sent a draft policy out on the 28th. The policy must be implemented before a Fleet Fund can be established. This has been in the works for three years. Curtis Koch has worked diligently to help create a rough draft of the policy, as well as a fleet asset rotation and replacement cost spreadsheet. Curtis spelled out the following steps: sign an agreement with Young Automotive, set up the vehicle allocation piece, and have the policy reviewed by department heads and approved by the Commission. Jeff said he gets a very generous vehicle allowance and asked when the last analysis for vehicle usage was done. Curtis candidly noted that an analysis of vehicle allowances has never been done. It was designed

to increase pay for individuals without showing pay increases, and this was done about 20 years ago. Jon has assessed County vehicle usage. There was a lengthy discussion about the logistics of how the allocations would work, what vehicles would be the first to be purchased, and the policy in general. The vehicles purchased under the two-year Young Automatic Buyback program are limited to 14,000 miles annually. The patrol vehicles would be on a different program since they will be specially outfitted. The buyback program will negate the need for ongoing costly vehicle repairs. Curtis said that if the County is going to do a Fleet program, it has to be all-in. Curtis suggested that the Commissioners return their comments to Jon before sending out the policy to all departments for input and then have a work session.
(See Attachments M1-M48.)

3:00- 4:00 p.m. **General Budget Overview Discussion—***Budget Committee*

The Budget Committee discussed the information presented today.

Adjournment
The meeting adjourned at 4:01 p.m.

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

A	Final Budget Page Projected 2024
B	Final Budget Page 2025 Budget-Department Level
C	Historical Tax Rates & New Growth_General Government Operations
D1-D2	Historical Tax Rates & New Growth
E1-E7	2025 Budget Projected Start Point-5yr Trend (Big Scary)
F1-F4	Transfers 25 vs. 24 Revised
G1-G2	2025 Davis County Budgeted Transfers
H1-H16	Expense Bar Charts_All funds
I1-I23	2022-2025 Budget & Actual Comparisons_ Payroll Expense by Dept.
J1-J42	2022-2025 Budget & Actual Comparisons_ Operating Expense by Org_Fund_Capital Expenses
K1-K26	Bgt vs 24 Revised Budget Top Orgs Largest Growth Payroll_Operating_Capital
L1-L9	DCEA 2025 Budget
M1-M48	2025 Fleet Management and Planning

Minutes prepared by:
Shairise Bills
Deputy Auditor

Minutes approved on: 10/14/2024

/s/Curtis Koch
Curtis Koch
Auditor— Budget Officer