Davis County Budget Committee

Meeting Minutes

November 7, 2024

The Budget Committee of Davis County met on November 7, 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 Lorene Kamalu; Commissioner Bob Stevenson; Chris Bone, Human Resources Director; and Jeff Hassett, Information Systems Director. Ric Higbee, Human Resources Deputy Director, was also present. Shairise Bills, Deputy Auditor, recorded the minutes of the meeting. There was no public attendance.

2025 Budget Discussion/Changes

Western Sports Park (WSP) Lease *(Minute 00:57)*

For context, the Community and Economic Development Department Head sent an email to the Budget Committee with a memo outlining his considerations and recommendations for the Western Sports Park Land Purchase versus lease. Curtis said the Commission can remove this from the budget if they choose, but he wanted to ensure they were accurately informed to help make that decision. He went through the email point by point and as follows:

- Fifty-seven acres (out of 100) were purchased with 1968 General Obligation Bond monies. The other remaining parcels were purchased with the 1980s General Obligation Bond specific to the Jail Complex (which throws off the computations).
- The WSP land valuations that Curtis used in his estimations in the budget come directly from the Davis County Assessor's Office. There are 18 acres of vacant land ¼ mile north (Farmington Station North) valued at just over $7 million in 2024, or $377,291 per acre. Another 16-acre parcel near that was valued at $383,000 per acre. Those estimates were actuals.

- Proposed a liberal annual rate of return be applied to the $627,000 (the original purchase price in 1988.) Aside from the inaccurate price ($647,000 for the Events Center land), Curtis asked in what business world this methodology would be used.
- Salt Lake Convention Center land was purchased from the Church of Jesus Christ of Latter-Day Saints in 2016. The LDS Church sold the land at a market rate equivalent to 1984, resulting in a $27 million discount. Curtis said those were extenuating circumstances and does not see how that is relevant to what is being discussed here.
- The Larry H Miller Complex, bordering a defense depot (that was storing and disposing of nerve agents), was brought up and is not equivalent to Farmington Station.
- It was stated that the Assessor's fair market value is incorrect.
- Tourism Funds are volatile. Curtis said he is not worried about volatility because restaurant tax is up 8 ½ % year-over-year, which is the largest driver of this fund.
- WSP has not opened yet. Curtis said this was a different song that was sung when they pitched the WSP project, and this was going to be a net gain for the County, but now it isn't.
- Maintenance and HR Admin allocations are 5% of the Tourism Tax revenues. Curtis said he is okay with them managing the maintenance independently, but he wondered if it is equitable and doesn't know why it is mentioned in this proposal.
- Not being able to fund future projects. Curtis said they should be able to fund them if they are growing.
- Phase 2 was a question. This was the first time Curtis heard of phase 2 of the project.
- The question was whether asking the Tourism Fund to purchase/lease County land was equitable and fair. Curtis asked what core government services are.

The Committee discussed the WSP lease. Commission Stevenson said he is more in favor of a lease than a purchase of the property, but he would like to see that money go into the Capital Projects Fund instead of the General Fund. Curtis agreed and said that the fund had been drained and would be a great way to breathe life back into it. He said he reached out to a friend outside of the County who said the Assessor's valuation was currently low. The value must be settled before any lease agreement can be made. Curtis said this is not to balance the budget but to achieve equity. The Commissioners agreed to transfer the money from Fund 10 [The General Fund] to Fund 45 Capital Reserves. The transfer will help justify the future Memo of Understanding to prevent future Commissions from changing it. This transfer will increase the deficit in fund balance to $9 million.
(See Attachments A1-A3.)

Tax Increase Discussion *(Minute 27:51)*

The Committee discussed when a tax increase would need to occur, the timing of it, how much it would increase, and the messaging to the community. Curtis said that if they want a tax increase next year, those discussions need to start immediately with the new incoming Commissioner.

COLA and Strategy on Compensation *(Minute 48:40)*

The Committee discussed a 0.5 percent COLA. Commissioner Stevenson was not in favor of this. He would like to put it towards merit but said the Merit System must also be revamped, and a whole new philosophy needs to be instituted. He explained his position on this. Chris said a lot needs to go into such an endeavor, as grade ranges would need to be addressed along with how to deal with a new strategy to replace or change the way Merit and COLA increases are currently done. A thoughtful, well-planned approach is necessary. Commissioner Stevenson said the Elected Officials should get a 2.5% salary increase. Curtis summarized that a committee will be assembled to look at Countywide compensation, potentially restructuring merit, and calculate how COLA and market adjustments fit into the equation. Elected Officials will get a 2.5% salary increase this year, and they will be considered by that working group (or committee) next year to determine how their compensation will be managed in the future.

(Minute 1:01:02) Special Master for the Court

Troy Rawlings, County Attorney, called Curtis and said the judge had ordered a Special Master for a multi-million dollar fraud case. Curtis asked about setting up something outside of the Operations budget. It would require a budget opening, but it would be a separate account specifically to cover those fees when he needs them but it would be exclusively for those needs. The Commissioners agreed. Curtis will give them an update after he meets with Troy to discuss other areas in the budget that could be tightened up.

The meeting adjourned at 11:17 a.m.

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

A1-A3	Email and Memo RE_Western Sports Park

Minutes prepared by:

Shairise Bills
Deputy Auditor

Minutes approved on: ________________

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Curtis Koch
Auditor— Budget Officer