

Davis County Budget Committee

Meeting Minutes

April 14, 2025

The Budget Committee of Davis County met on April 14, 2025, 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 3:05 p.m.

Opening Roll Call

Committee members present were Curtis Koch, Controller; Commissioner John Crofts; Commissioner Lorene Kamalu; Commissioner Bob Stevenson; Chris Bone, Human Resources Director; and Jeff Hassett, Information Systems Director. Other staff present were Ric Higbee, Human Resources Deputy Director; Arnold Butcher, Chief Deputy Sheriff; Josh Johnson, Library Director; and Brian Hatch, Health Director. Shairise Bills, Deputy Controller, recorded the minutes of the meeting. There was no public attendance.

Approval of Budget Meeting Minutes for March 10, 2025 (Minute 00:36)

The Committee voted to approve:

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

Chris Bone presented the following:

- **Records/Grama Manager Position in the Sheriff's Office** (*Minute 00:50*)

Chris explained the need for the GRAMA position in the Sheriff's Office. Not only do a significant number of records requests come through the office, but the records that need to be managed can be complex and require dedicated time and skill. They proposed converting an Office Specialist II to a Records Supervisor and forming a "Records Unit." Some of the duties that the deputies in the intake unit are currently performing will be shifted to this new position. They may have another position that could be repurposed to be a part of the unit. Chief Butcher explained the history of how records have been managed until now. He said the State is now mandating much more, and expungements have increased substantially. The increased cost would be about \$16,000 annually, but Chris has not completed the cost analysis yet. Once he does, he will send it to the Commissioners.

- **Finance Manager Position in the Controller's Office** (*Minute 18:22*)

Curtis said, for the record, his past Chief Deputy, Angie Nelson, did a fantastic job, but the decision for her to leave was all his. He realized to have a more sustainable organization, he would have to reorganize the structure of his office. He decided to take finance and budget away from the Chief Deputy's responsibilities so that experience doesn't leave the office during any new election cycle. He proposed to convert the Senior Accountant position held by Cindi Garrick to a Finance Manager position. It would be a two-grade increase and merit-protected. She is currently receiving acting-in-pay for taking on supervisory and significant finance responsibilities and is currently acting in that position. Curtis also requested that the Chief Deputy's grade decrease from 32 to 30 due to the change in duties associated with more focus on administration and budget. The cost of moving from a Senior Accountant to a Finance Manager will increase by \$11,546.00. Decreasing the Chief Deputy's grade from a 32 to a 30 is a savings of \$16,180.00, with a net savings of \$4,600.00. There was no opposition, so that it will go forward.

Tyler Munis Transition Discussion (*Minute 23:14*)

Curtis said that he, Chris [Bone], and Jeff [Hassett] all met to discuss the Tyler Munis transition before this meeting. Tyler will no longer be upgrading the on-prem (on-premises) hosting of Tyler Munis. There will only be software maintenance, but no end-of-life date has been announced. The solution is for Munis to move all businesses to the cloud. It will not only give the County upgrades but also provide features not currently available on the on prem site. The ERP (Enterprise Resource Planning) system, which is meant to run all County functions, needs to be discussed in more detail. Curtis is a fan of Munis from a financial perspective. He admits it is not a perfect system, but it's a system he can trust with integrity. He strongly recommends that the County move to the cloud and use Tyler.

Chris said that HR is not using Munis for personnel projections and has questions about whether it will change their processes when they move to the cloud. He said he knows that if your system does not perform updates over time, there will be a larger gap to fill once you are forced to change instead of moving to the cloud sooner. He said they cannot destabilize the system and let it affect payroll.

Jeff said he has been involved in multiple system implementations where the cost has been a factor of three compared to Munis, giving the best return on investment. Jeff said he would need to add some additional personnel to implement it. The current annual cost of Munis is \$140,000, and moving to the cloud would increase it to approximately \$260,000 per year. The first year, including implementation, would be \$310,000. If they want to add the cashiering function, on-prem charges \$60,000 for implementation, but if they add it when they are moving to the cloud, it is only an additional \$6,000-\$9,000 annually. There would be more upfront costs to move to the cloud, but there would be cost savings for additional modules that are more expensive if added while on-prem. He said it was down to a timing issue. If they rush to implement it by October, they could add cashiering this year. If they wait until February or March of next year, they would have to wait until the following year to bring cashiering on board.

When asked if other departments should weigh in, Curtis said he, Chris, and Jeff learned about this change last week and discussed it before bringing it to the Committee. He said they could get buy-in from departments but thought it might stagnate the process, as has happened when departments are averse to change and looking through a narrow lens instead of having a broader vision for the future and the County's needs as a whole. Curtis has no issue with telling departments what the plan is when it is decided but does not want the decision to be based on the opinions of every department head. Munis' two heaviest users (Controller and HR) with IS support should be able to determine system needs as the subject matter experts.

There is no urgency to decide right now, but more discussions will need to be had in the future.

Library Bond Discussion (*Minute 41:43*)

Curtis referred to an email with Johnathan Ward, the County's Financial Advisor; he proposed the following timeline:

- Tuesday, April 29- Regular Commission meeting to adopt a super parameters resolution (lays out the bond guidelines)
- Friday, May 2- Request for Bids sent to Purchasers (this will not go out to the private market but a direct purchase due to the cost; this is a small issuance)
- Thursday, May 15- Request for Bids due and award made
- Tuesday, May 20- Public Hearing
- Tuesday, June 3- Closing; delivery of funds

Curtis presented two bonding options:

1. Lease Revenue Bond- \$9,000 more expensive each year and would require an additional \$20,000 of up-front costs.
2. Sales Tax Revenue Bond- These are slightly less expensive and more flexible.

It is important to note that \$4M is being used from the last tax increase, as was promised to the citizens, in addition to the bond.

Curtis Koch, Controller, presented the following:

April 22, 2025, Budget Opening List (Minute 49:32)

Only one item was on the list: a \$4M increase in the Health Capital Fund for a building purchase. It results from a long-term vision to stabilize Senior Services, and it's a perfect location in proximity to the Health Department Campus. Curtis said he is waiting to see if another department contacts him with additional items, and if so, he will update each of the Commissioners individually before they vote on it next week.

(See Attachment A.)

2024 Unaudited Budget Final Page (Minute 51:25)

Curtis showed the unaudited numbers on the Budget Final Page projected for the end of 2024: a spend down of the General Fund balance by \$9,708,840. Although they are unaudited, they are pretty stable at this point. *(See Attachment B.)*

Curtis showed the revenue 5-year projection estimated year-over-year growth for Property Tax, Sales Tax, License/Fees, State/Federal Funding, Interest, Miscellaneous, Transfers In, and Historical Unanticipated Revenues. He also explained the expense 5-year projections for Personnel, Operations, Capital, Allocations, Transfers Out, and Historical Turnback. *(See Attachments C-D.)*

2026 Budget Methodology (Minute 59:15)

Curtis gave some context to his proposed new budget methodology, explained that it is based on historical data, and showed the budget data for use percentages for each department in Fund 10. From this, he derived the use percentages for a two- and four-year average to determine where the growth was, and he showed the growth indicator he created from this. This chart is not meant to show how much percentage of growth there was but only to indicate whether there was growth or contraction.

What follows is what Curtis called the 2026 budget model. He showed a spreadsheet of the Model. He explained how he formulated it using all projected revenue sources (data from the Revenue History and 5-yr Projections). After calculating these, any unanticipated revenues (as shown in yellow on the spreadsheet) and any annual appropriations (i.e., budgeting for future projects, cyclical expenses like elections, and any other unexpected costs) becomes the budgeted amount available for the General Fund, assuming the goal is a balanced budget, and not using any fund balance. From there, the portion of the total budget available to each department is determined by their 2-year budget utilization percentages. The departments would then utilize that pot of money however they see fit. Still, it would be expected to prioritize needs and expenses and reduce its budgets to fit within its allotments. These calculations do not factor in personnel growth for merit or cost of living increases. Curtis said that using this formula for determining departmental budget allotments isn't necessarily realistic, but he didn't know what was realistic. It is a matter of how fast the commissioners want to "land the plan" or how fast to spend down fund balance before it falls to critical levels and a tax increase is needed.

Curtis said it would be a good idea to present this Budget Model to the AOs, and if the commissioners are going to do a tax increase, they have to take a unified approach; if there is no unity, they should not do a tax increase. Commissioner Crofts asked why it was important to have unity since they only needed a majority vote. Curtis asked what the vision was, and Commissioner Crofts responded, "There are only two choices: increase taxes or cut spending." Curtis added, "or find other areas to give back to the public." Curtis said the message can be confusing if all the commissioners disagree on whether a tax increase is needed. Commissioner Crofts stated, "Well, that's a Commission decision." Curtis agreed and said, "That's why I'm giving you the Model." Commissioner Stevenson thought the team (other elected officials and directors) should make the decision collectively. Curtis said, "... Everybody better be on the same page because if you're not, and you're fractured, you're done." Curtis summarized the events leading up to the last tax increase. Ultimately, because the citizens could talk to the county leaders directly (not just the commissioners) and ask them why they needed more money, they understood it was necessary even though they didn't like it. They ran some hypothetical numbers for a tax increase. Curtis said a 5.9% increase would "flatten the plane." Curtis recommended not dropping the General Fund balance below \$25,000,000 million [to keep a good bond rating]. Commissioner Stevenson wanted Curtis to present the Model at the next AO [Administrative Officer] Meeting.

(See Attachments E-H.)

The meeting adjourned at 4:42 p.m.

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

- A 4 22 2025 Budget Opening
- B 2024 Unaudited Budget Final Page
- C 5-YR Projection
- D Revenue History
- E1-E4 % By Department Data Set
- F Growth
- G 2026 Budget Model
- H Truth In Taxation Notice

Minutes prepared by:

Shairise Bills

Deputy Auditor

Minutes approved on: 6/30/2025

/s/ Curtis Koch

Curtis Koch

Controller— Budget Officer