

1
2
3 **Minutes of the**
4 **Finance, Administration and RDA Committee**
5 **Budget Review Meeting**

6 Bountiful City Hall Planning Conference Room
7 April 12, 2016 (4:00 p.m.)

8 Present:

9
10 Committee Members: Randy C. Lewis and Kendalyn Harris
11 City Manager: Gary Hill
12 Assistant City Manager: Galen Rasmussen
13 Department Personnel: Russell Mahan, City Attorney
14 Shannon Cottam, Human Resources Manager
15 Alan West, Information Technology Director
16 Greg Martin, Programmer/Analyst
17 Tyson Beck, Finance Director
18 David Burgoyne, Assistant Finance Director
19 Ted Elder, City Treasurer
20 Paul Rowland, City Engineer
21 Lloyd Cheney, Assistant City Engineer
22 Chad Wilkinson, City Planner / RDA Director
23

24 Official Notice of this meeting had been given by posting a written notice of same and an agenda at
25 the City Hall and providing copies to the following newspapers of general circulation: Davis County
26 Clipper, Standard Examiner, and on the Utah Public Notice Website.
27

28 Committee chair Randy Lewis called the meeting to order at 4:05 p.m., and welcomed those in
29 attendance.

30 **PRESENTATION OF BUDGETS**

31 **Information Technology Department and Computer Maintenance Fund**

32 Alan West presented the detailed budget for the Information Technology department and the
33 Computer Maintenance Fund and selected line item changes in each budget were identified. Alan
34 West and Greg Martin outlined equipment replacement cycles and technology and networked
35 solutions under review. Committee member Kendalyn Harris asked if the City was considering adding
36 public Wi-Fi access in certain areas. Alan West responded that several locations in the City are
37 currently being updated for wireless access and the option for public Wi-Fi is being considered for
38 selected public park locations.

39

40

41 Committee chair Lewis made a motion to accept the tentative budget of the Information Technology
42 department and the Computer Maintenance Fund, as presented, and Committee member Harris
43 seconded the motion. Voting was unanimous with Committee members Lewis and Harris voting
44 “aye”.

45

Treasury Department

46 Ted Elder presented the budget proposed for the Treasury department. Notable line item changes in
47 the budget were identified along with recent and pending staffing changes due to the upcoming
48 retirement of a long-time employee. A brief discussion was held on the category of “Enterprise
49 Reimbursement – Administrative Services.” Gary Hill and Galen Rasmussen mentioned that this
50 category appears in several General Fund budgets and is a recently required reporting change from
51 the State Auditor. The category reflects reimbursement for the cost of each affected department’s
52 services provided to the Enterprise (business-like) departments of the City. This category was
53 previously shown as a revenue in the General Fund for fiscal years 2014-2015 and prior and was
54 reflected as a reduction of expenditures in a ‘Non-Departmental’ category for fiscal year 2015-2016.

55 Committee chair Lewis commented on the Customer Service responsibilities of the Treasury
56 department emphasizing the importance of employees appropriately representing the City of
57 Bountiful to those citizens and customers that contact the City. Ted Elder responded that employees
58 receive ongoing training and feedback relative to customer service. This ongoing training and
59 feedback is designed to enhance each employee’s abilities to conduct themselves professionally in
60 administering the business of the City with citizens and customers while leaving those citizens and
61 customers with a hometown feel from their experience.

62 Committee member Harris made a motion to accept the tentative budget of the Treasury
63 department, as presented, and Committee chair Lewis seconded the motion. Voting was unanimous
64 with Committee members Lewis and Harris voting “aye”.

65

Finance Department

66 Tyson Beck presented the detailed budget for the Finance department and commented on line items
67 of particular note. The pending award of independent auditor services was briefly discussed. This is a
68 business item is scheduled for City Council review at 6:00 p.m. in Work Session and for action at the
69 7:00 pm. Regular Session tonight. David Burgoyne was introduced and Tyson Beck and David
70 Burgoyne responded to questions from the committee regarding the current structure of the Finance
71 department.

72 Committee chair Lewis made a motion to accept the tentative budget of the Finance department, as
73 presented, and Committee member Harris seconded the motion. Voting was unanimous with
74 Committee members Lewis and Harris voting “aye”.

75 Debt Service Fund and Municipal Building Authority Fund

76 Tyson Beck and Galen Rasmussen presented the detailed budgets for the Debt Service fund and the
77 Municipal Building Authority fund. The Debt Service Fund accounts for the City’s debt that is of a
78 general nature such as General Obligation Bonds. The City has no bonded debt and the revenue
79 based debt from refinance of a special improvement district bond is the only debt issue remaining to
80 be paid in full during fiscal year 2016-2017.

81 Gary Hill reviewed the purpose of the Municipal Building Authority Fund which was the previously
82 allowed way in State law to finance public buildings for lease back to the general government entity.
83 The Building Authority is still in existence to account for previously financed public buildings like the
84 current Public Safety Building. The underlying debt of the Municipal Building Authority is paid off and
85 revenues shown represent remaining payments due from the State of Utah related to their lease of a
86 portion of the Public Safety Building. Committee members inquired on the long-term plans of the
87 State Court system to remain in the building. Gary Hill responded that staff will be working with the
88 State for maintaining a continuing lease arrangement.

89 Committee chair Lewis made a motion to accept the tentative budget of the Debt Service Fund and
90 the Municipal Building Authority Fund, as presented, and Committee member Harris seconded the
91 motion. Voting was unanimous with Committee members Lewis and Harris voting “aye”.

92 Engineering Department

93 Paul Rowland presented the detailed budget for the Engineering department and outlined key public
94 works projects in the near future including water projects, Creekside Park and work on a downtown
95 plaza. Work on Creekside Park was discussed in more detail including the recent 75% completion of
96 the plan design. The Park will contain playground equipment, a custom designed bridge and other
97 sought after design elements with a scheduled completion date in the late Fall of 2016.

98 Other items discussed included a review of the preparation of key staff members for future transitions
99 in the department; work on closing out performance bonds held on deposit to guarantee work of
100 projects with a building permit. Committee members also commented on the Customer Service
101 aspects of the Engineering staff in similar manner to the previous review of Treasury operations.

102 Committee chair Lewis made a motion to accept the tentative budget of the Engineering department,
103 as presented, and Committee member Harris seconded the motion. Voting was unanimous with
104 Committee members Lewis and Harris voting “aye”.

105 Planning Department

106 Chad Wilkinson presented the budget for the Planning department and focused on salary adjustments
107 made to correspond with revisions made in the budget of the Redevelopment Agency (RDA) due to
108 the recent extension of the RDA. Staffing of the department was reviewed and committee member
109 questions were responded to.

110 Committee chair Lewis made a motion to accept the tentative budget of the Planning department, as
111 presented, and Committee member Harris seconded the motion. Voting was unanimous with
112 Committee members Lewis and Harris voting "aye".

113 Redevelopment Agency Revolving Loan Fund 72

114 Chad Wilkinson presented the budget for the Redevelopment Agency (RDA) Revolving Loan Fund
115 (Fund 72) and discussed the status of various loans outstanding. Questions from committee members
116 were addressed and a new expense line item for the Computech loan will be added to the budget in
117 the final version.

118 Committee chair Lewis made a motion to accept the tentative budget of the RDA Revolving Loan
119 Fund, as presented, and Committee member Harris seconded the motion. Voting was unanimous
120 with Committee members Lewis and Harris voting "aye".

121 Redevelopment Agency Operating Fund 73

122 Chad Wilkinson presented the budget for the Redevelopment Agency (RDA) Operating Fund (Fund 73)
123 and focused again on salary and other adjustments made to bring the budget of the RDA Operating
124 Fund in line with the 5% expense cap requirement from the recent extension of the RDA. Initial
125 projects of the newly extended RDA were discussed briefly which focus on development of a
126 downtown plaza area along with development within other RDA eligible areas.

127 Committee chair Lewis made a motion to accept the tentative budget of the RDA Operating Fund, as
128 presented, and Committee member Harris seconded the motion. Voting was unanimous with
129 Committee members Lewis and Harris voting "aye".

130 Legal Department

131 Russell Mahan presented the detailed budget for the Legal department highlighting variances related
132 to his pending retirement; hiring of a new City Attorney; and the departure of the City Prosecutor.
133 These staffing changes will require amendment of the budget since the changes were not envisioned
134 at the time the budget was originally adopted. The new City Attorney, Clint Drake, will start near the
135 end of April and the City Prosecutor will leave the City's employ at the end of April. Until a new
136 Prosecutor is hired, a contracted prosecutor will be utilized to handle civil matters. There is a \$1,800

137 increase in the budget for the contract in place for a public defender. No adjustments have been
138 made in the contract for many years but there is now a need for an adjustment to appropriately
139 compensate the provider of this service for the City. Committee members and management present
140 expressed their well wishes and appreciation to Mr. Mahan for his service to the City.

141 Committee member Harris made a motion to accept the tentative budget of the Legal department, as
142 presented, and Committee chair Lewis seconded the motion. Voting was unanimous with Committee
143 members Lewis and Harris voting "aye".

144 Liability Fund and Workers Compensation Fund

145 Russell Mahan presented the budget for the Liability Fund of the City. This fund provides coverage for
146 risk exposures related to claims against the City. The City has maintained a self-insured risk program
147 covered by cash reserves and excess liability insurance coverage for more than 30 years. This
148 program has been a cost savings for the City versus the option of operating under a program of
149 primary insurance coverage. Gary Hill identified the operational flexibility that the insurance program
150 provides where management can negotiate for settlement, oftentimes without involving the
151 insurance carrier to burden the process.

152 Russell Mahan reviewed the claims trend history and allocation of salary and benefits that apply to
153 the Fund. Questions of the committee members were addressed by staff.

154 Russell Mahan then outlined the budget for the Workers Compensation Fund. This fund operates in
155 similar manner to the Liability Fund as a self-insured risk program with underlying cash reserves and a
156 program of excess liability coverage from an insurance company. Claims trends were reviewed with a
157 reference to there being no known large claims pending.

158 Committee chair Lewis made a motion to accept the tentative budget of the Liability Fund and the
159 Workers Compensation Fund, as presented, and Committee member Harris seconded the motion.
160 Voting was unanimous with Committee members Lewis and Harris voting "aye".

161 Human Resources Department

162 Shannon Cottam presented the detailed budget for the Human Resources department and
163 commented on the history of this relatively new department. The staff members of Human Resources
164 were formerly employees of the Finance department and the Treasury department. The Human
165 Resources department's first full budget year was fiscal year 2014-2015. Changes in the budget for
166 fiscal year 2015-2016 pertain to adjustments for merit increases and health insurance rates with a few
167 minor internal expense reallocations. The department is heavily involved with recruitment and
168 testing for new applicants from many departments and also provides payroll, employee benefits,
169 training and similar services expected of a Human Resources function.

170 Gary Hill referenced the favorable experiences mentioned by the Police department in utilizing the
171 services of Human Resources for their recruiting and applicant testing. The prompt and accurate
172 service provided to Police by Human Resources has enabled Police to acquire top candidates in a
173 shorter time frame.

174 Committee member Harris made a motion to accept the tentative budget of the Human Resources
175 department, as presented, and Committee chair Lewis seconded the motion. Voting was unanimous
176 with Committee members Lewis and Harris voting "aye".

177 Legislative and Executive Departments

178 Gary Hill presented the budget proposed for the Legislative department and reviewed key changes in
179 budget line items between the current fiscal year and the proposed fiscal year of 2016-2017. The
180 Legislative department, and every other department and fund of the City with employees, reflects an
181 increase in the personnel services category for a Cost of Living Adjustment. The amount of the
182 adjustment will vary depending on the classification of the employee. Hourly employees will receive
183 an additional COLA adjustment which is designed to more equitably compensate this class of
184 employee for planned revisions to the City's overtime compensation policies which have varied by
185 department.

186 Committee member Harris requested that the line item for Youth Council be used in part to provide a
187 \$600 (\$50 per month) stipend to the adult volunteer who assists with operations of the Youth Council.

188 Gary Hill then presented the budget proposed for the Executive department. Few significant changes
189 are contained in this budget which pays for the services of the City Manager and assigned support
190 staff.

191 Committee chair Lewis made a motion to accept the tentative budget of the Legislative department
192 and the Executive department, as presented, and Committee member Harris seconded the motion.
193 Voting was unanimous with Committee members Lewis and Harris voting "aye".

194 The meeting adjourned at 5:50 p.m. on a motion made by Committee member Harris and seconded
195 by Committee chair Lewis. Voting was unanimous with Committee members Lewis and Harris voting
196 "aye".

197