

1 Minutes of the
2 BOUNTIFUL CITY FINANCE COMMITTEE

3 November 10, 2020 – 5:45 p.m.

4
5 Present: Mayor Randy Lewis (arrived at 6:20 p.m.)
6 Councilmembers Millie Segura Bahr and Kate Bradshaw
7 Finance Director Tyson Beck
8 City Manager Gary Hill
9 Asst. City Manager Galen Rasmussen

10
11 Official notice of the City Council Meeting was given by posting an agenda at the temporary
12 City Hall locations (805 South and 150 North Main Street) and on the Bountiful City Website and the
13 Utah Public Notice Website and by providing copies to the following newspapers of general
14 circulation: Davis County Clipper and Standard Examiner.

15
16 5:45 p.m.

17 South Davis Metro Fire Station Conference Room

18
19 Mayor Randy Lewis chairs this committee, the meeting began at 5:56 p.m.

20
21 REVIEW OF THE FISCAL YEAR 2020 COMPREHENSIVE ANNUAL FINANCIAL
22 REPORT (CAFR) – MR. TYSON BECK

23 Tyson Beck, Finance Director, began by stating that the CAFR and independent financial
24 audit for the fiscal year 2020 were complete and will be submitted to the various regulatory and
25 statutory agencies. Additionally, Mr. Beck stated that the fiscal year 2020 CAFR will again be
26 submitted to the Government Finance Officers Association for consideration of their CAFR award,
27 which would be the City's 40th consecutive year if awarded. With the City's fiscal year 2019 CAFR
28 the City achieved the 39th consecutive year. Only three other governments in Utah have received the
29 CAFR award for a longer consecutive streak.

30
31 Mr. Beck then reviewed with the committee the financial results for fiscal year 2020. This
32 included a review of each of the City's operating fund's net income or loss as well as their equity
33 positions. The cash and investment balances of the City were also reviewed.

34
35 It was noted that the Light and Power Fund as well as the Capital Projects Fund has fairly
36 significant net losses during the year. The Light and Power Fund had almost \$3 million in unexpected
37 repairs to their natural gas power plant and their hydro plant at the Echo reservoir. The Capital
38 Projects Fund was a planned shortfall as fiscal year 2020 incurred major project costs for the Town
39 Square and City Hall remodel projects.

40
41 Additionally, because of the cash outflow from the fiscal year 2020 repairs and projects
42 mentioned, the City's overall cash and investment balances decreased for the first time in at least the
43 past eleven fiscal years. It was discussed that the decrease is not entirely unexpected as the City's
44 financial philosophy of 'pay-as-you-go' does occasionally require the use of cash reserves for
45 significant projects.

46
47 The financial review also covered some of the Management's Discussion and Analysis

1 section of the CAFR. That section compares and contrasts the statements of net position and
2 revenues/expenses from fiscal year 2019 to fiscal year 2020.
3

4 In compliance with the City's newly adopted *Fund Balance & Reserves* Policy, there was a
5 review of all the required reserve balances and how they compared to the minimum reserve balances.
6 All funds were in compliance with the exception of the Water Fund and the Recycle Fund. It was
7 noted that actions have already been taken in fiscal year 2021 to correct the Water Fund deficiency,
8 and that the Recycle Fund qualifies for a policy exception due to City Council direction to subsidize
9 those operations.
10

11 Mr. Beck specifically addressed some financial trends over a 14-year period of the Golf fund.
12

13 The Golf Fund expenses have increased by \$565,481 over the past 14 fiscal years.
14 Unfortunately, the revenues for the Golf Fund have been declining since fiscal year 2013 with the
15 exception of fiscal year 2020. The COVID-19 pandemic actually brought in the best revenue year in
16 at least the past 14 fiscal years. Despite this banner revenue year, the Golf Fund still had an overall
17 fiscal year 2020 net loss of \$198,750. It was discussed that fiscal year 2020 is the seventh consecutive
18 year of operational net losses. There are no easy answers to resolve this negative trend as this is
19 believed to be due to decreasing demand throughout the golf industry. The operations will continue to
20 be monitored closely.
21

22 **REVIEW OF THE FISCAL YEAR 2020 INDEPENDENT FINANCIAL STATEMENT**
23 **AUDIT**

24 Due to the need to move on to the scheduled City Council work session this discussion was
25 moved to the scheduled City Council agenda item.
26

27 The Finance Committee meeting was adjourned at 6:32 p.m.
28
29



Mayor



City Recorder