

1 Minutes of the
2 BOUNTIFUL CITY FINANCE COMMITTEE

3 October 22, 2019 – 5:30 p.m.

4
5 Present: Mayor Randy Lewis
6 Councilmembers Richard Higginson and Kate Bradshaw
7 Finance Director Tyson Beck
8 Asst. Finance Director David Burgoyne
9 City Manager Gary Hill
10 Asst. City Manager Galen Rasmussen

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12 Official notice of the City Council Meeting was given by posting an agenda at the temporary
13 City Hall locations (805 South and 150 North Main Street) and on the Bountiful City Website and the
14 Utah Public Notice Website.

15
16 5:30 p.m.

17 South Davis Metro Fire Station Conference Room

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19 Mayor Randy Lewis chairs this committee and the meeting was called to order at 5:35 p.m.

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21 REVIEW OF THE FISCAL YEAR 2019 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 2019 were complete and will be submitted to the various regulatory and
25 statutory agencies. Additionally, Mr. Beck stated that the fiscal year 2019 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 39th consecutive year if awarded. With the City's fiscal year 2018 CAFR
28 the City achieved the 38th consecutive year. Only three other governments in Utah have received the
29 CAFR award for a longer consecutive streak.

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31 Mr. Beck then reviewed with the committee the financial results for fiscal year 2019. 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.

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35 The review covered some of the Management's Discussion and Analysis section of the
36 CAFR. That section compares and contrasts the statements of net position and revenues/expenses
37 from fiscal year 2018 to fiscal year 2019.

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39 Mr. Beck specifically addressed some financial trends over a 13 year period of the General
40 Fund and the Golf fund.

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42 The General Fund's expenditures over that timeframe increased by \$17.6 million or 31%. The
43 majority of that increase came from public safety (i.e. police and fire/emergency medical services),
44 which in fiscal year 2019 accounted for 54% of all General Fund expenditures. Further analysis of the
45 public safety expenditures showed that police and fire employee benefits were the main cost driver
46 behind the large increases over these years as both Utah Retirement System pension benefits and
47 health insurance benefits increased by 190% and 116%, respectively.

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2 The Golf Fund expenses have increased by \$484,000 over the past 13 fiscal years.
3 Unfortunately, the revenues for the Golf Fund have been declining since fiscal year 2013, which is
4 believed to be mainly to decreasing demand throughout the golf industry. The Golf Fund's fiscal year
5 2019 significant net loss was principally due to the revenue lost and repair costs of an accidental
6 double application of growth inhibitor on 16 of the course's 18 greens and collars.
7

8 **REVIEW OF THE FISCAL YEAR 2019 INDEPENDENT FINANCIAL STATEMENT**
9 **AUDIT – MR. MARCUS ARBUCKLE (KEDDINGTON & CHRISTENSEN, CPA'S)**

10 Mr. Beck turned the time over to Mr. Arbuckle who is an Audit Partner in the CPA firm.
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12 Mr. Arbuckle explained briefly the audit process and objectives. He stated that the City's
13 fiscal year 2019 CAFR received an unmodified or "clean" opinion meaning that it complied in all
14 material respects with Generally Accepted Accounting Principles (GAAP). He also stated that
15 although the audit was not intended to test internal controls, they did review the internal controls over
16 financial reporting and did not find any material weaknesses in the City's controls.
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18 Mr. Arbuckle reviewed with the committee the budget overrun finding that was given as part
19 of the State Compliance test work performed in the audit. The finding can be read along with the
20 City's response in the auditor's Supplemental Report dated October 16, 2019.
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22 The Finance Committee meeting was adjourned at 6:32 p.m.
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24



Mayor



City Recorder