

**MINUTES OF THE FINANCE COMMITTEE MEETING OF THE BOARD OF TRUSTEES OF
JORDAN VALLEY WATER CONSERVANCY DISTRICT**

(Unapproved and subject to change)

Held March 6, 2023

A Finance Committee meeting of the Board of Trustees of the Jordan Valley Water Conservancy District was held in person and electronically on Monday, March 6, 2023, at 4:00 p.m. at JWCD's administration building located at 8215 South 1300 West, West Jordan, Utah.

This meeting was conducted electronically in accordance with the Utah Open and Public Meetings Act (Utah Code Ann. (1953) §§ 52-4-1 et seq.) and Chapter 7.12 of the Administrative Policy and Procedures Manual ("Electronic Meetings").

Trustees Present:

Corey L. Rushton, Chair
A. Reed Gibby
Karen D. Lang
Sherrie L. Ohrn
Dawn R. Ramsey
Mick M. Sudbury
John H. Taylor, Finance Committee Chair
Barbara L. Townsend

Trustee Not Present

Zach Jacob

Staff Present:

Alan Packard, General Manager
Jacob Young, Deputy General Manager
Matt Olsen, Assistant General Manager
Shazelle Terry, Assistant General Manager
Mark Stratford, General Counsel
Gordon Batt, Operations Department Manager
Jason Brown, Information Systems Department Manager
Brian Callister, Maintenance Department Manager
Shane Swensen, Engineering Department Manager
David Martin, CFO/Treasurer
Brian McCleary, Controller
Kurt Ashworth, Human Resources Manager
Kelly Good, Communications Division Manager
Beverly Parry, Executive Assistant
Alicia Sekiller, Administrative Assistant
Cynthia Bee, Public Information Officer
Martin Feil, Database Administrator (electronic)
Margaret Dea, Senior Accountant (electronic)
David McLean, Senior Engineer

Others Present

Greg Christensen, Kearns Improvement District

Welcome

Mr. John Taylor, Finance Committee Chair, opened the meeting at 4:00 p.m. All trustees were present except Mr. Zach Jacob.

**Review
proposed
budget
overview**

Mr. Taylor turned the time over to Mr. Dave Martin, Chief Financial Officer. Mr. Martin reviewed the budget preparation process, the budget strategy and guidance, and the parameters for the proposed FY 2023/2024 budget preparation. He explained that the proposed FY 2023/2024 budget is based on 102,000 acre-feet of water deliveries, a proposed average water rate adjustment of 5.0%, property tax rate increase from an estimated Certified Tax Rate of 0.000345 to 0.000375, \$28.7 million property tax revenues, use of the Revenue Stabilization Fund, Capital Project expenditures of \$60.8 million (net), Operations and Maintenance budget based on level of service, a personnel adjustment of a 6.5% merit increase or step-increase, two new full-time personnel positions and two new part-time personnel positions, and PayGo Capital funding of \$19.2 million. He shared information on the projected sources and uses of funds.

Ms. Ohrn asked how staff is preparing for the possibility of legislation being passed that would remove the ability of JVVCD to collect revenues through property taxes. Mr. Packard said that JVVCD will participate in the study group that is being established to look at this issue over the next year and will explain to that group that it would be short-sighted to remove JVVCD's ability to generate revenue through property tax, especially if done suddenly. Ms. Ohrn requested feedback be brought to the Board on discussions that take place in the study group so the board is kept up to date on this important issue and they can contact their legislative representatives if needed.

Mr. Martin gave a brief overview of the operating, capital projects, and reserve funds. He then went into detail on various fees that have been updated.

**Review
proposed
operation and
maintenance
expenditures**

Mr. Martin gave an overview of the proposed operation and maintenance expenditures budget and stated that inflation has affected the proposed budget in multiple areas. He reviewed each department's operation and maintenance budget and provided explanations for budget items that increased over \$1,000 and three percent.

Mr. Rushton noted that conservation is a large part of the Communications Department's budget and asked if at some point it would be prudent to establish a Conservation Department. Mr. Packard responded that this issue has been under consideration by staff recently.

Mr. Martin noted that chemical costs have increase between 20-60%. Ms. Ramsey suggested that this should be included in talking points when trustees take part in truth in taxation visits to Member Agencies later in the year.

Mr. Martin explained that the Maintenance Department's budget includes stocking up on critical repair parts inventory due to the current delays in getting parts for emergency pipeline repairs.

Mr. Rushton suggested that the funds transferred into the Revenue Stabilization Fund be considered at the beginning of the budget process before water rates and property tax rates are determined. Mr. Martin referred to the ten-year financial plan to explain how the proposed budget is determined using the level of service document provided previously, the funding of operations and inflation with rates, and that it is a balancing act to

determine the water rates, property taxes, and use of the Revenue Stabilization Fund.

**Review
personnel
expenditures
budget**

Mr. Kurt Ashworth, Human Resources Manager, presented the proposed personnel budget for FY 2023/2024. In order to project the personnel costs for the FY 2023/2024 budget, data has been collected from various sources including the Consumer Price Index and Employment Cost Index. He described the expenditures that are included in the personnel budget including salary, health insurance, state retirement contributions, Medicare, substitute Social Security Plan contributions, life insurance, long-term disability insurance, and sick leave conversion.

Mr. Ashworth stated there is an overall 4.9% increase, or \$949,544, in the proposed FY 2023/2024 personnel budget as a result of inflation, salary increases, and the addition of two full-time and two part-time positions. Mr. Ashworth noted that health insurance and HSA/HRA costs and fees decreased due to lower claims this past fiscal year. The total proposed FY 2023/2024 personnel budget is \$20,482,015. Staff is proposing either a 6.5% merit pay increase or one step increase for employees. He presented information from a salary adjustment survey of other local districts and Member Agency cities and stated that JWCD falls close to the median in the comparisons. Mr. Ashworth reported that JWCD currently has 156 positions with 7 vacancies. The 2023/2024 budget includes proposed grade changes for four positions as well as a position change from Outreach Coordinator to Senior Business Data Analyst. Also included in the budget are recruitment, retention, and equity incentives as well as an amount for a Labor and Economic Fluctuation Response in the amount of \$100,000. This proposed budget amount would allow the General Manager flexibility in responding to the fluctuating job market. A discussion followed regarding the Labor and Economic Fluctuation Response budget item, and Mr. Packard said this budget item can be removed and that staff will bring any proposed financial response to the fluctuating job market to the Board for approval.

**Upcoming
meetings**

Mr. Taylor reviewed the upcoming meetings including the Finance Committee meeting, Wednesday, March 29 at 2:00 p.m.; regular Board meeting, Wednesday, April 12, at 3:00 p.m.; Annual Member Agency meeting, Wednesday, April 26, at 10:00 a.m.; Public Hearing, Wednesday, May 10, at 6:00 p.m.; regular Board meeting, Wednesday, June 7, at 3:00 p.m.; and property tax hearing/adoption of FY 2023/2024 budget, Wednesday, August 9, at 6:00 p.m. (if needed).

Adjourn

Mr. Taylor called for a motion to adjourn. Ms. Karen Lang moved to adjourn. Following a second by Mr. Mick Sudbury, the meeting adjourned at 5:21 p.m.

John H. Taylor, Finance Committee Chair

Alan E. Packard, Clerk

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