

Weber Area Dispatch 911 and Emergency Services District Governing Authority Board Meeting Minutes October 2, 2018

Governing Board Members in Attendance: James Harvey, James Ebert

Administrative Control Board Members in Attendance: Michael Caldwell, Leonard Call, Jim Truett

Additional Attendees: Executive Director Tina Mathieu, District's Attorney Bryan Baron, Weber County Treasurer John Bond, and Kathy Stokes

Excused: Scott Jenkins

1. Welcome: Governor James Harvey
2. Public Comment: None
3. Discussion of the intent to increase property taxes: Governor James Harvey - clarification of the Governing Board members: James Harvey, James Ebert, and Scott Jenkins. Governor Harvey invited the members of the Administrative Control Board to participate in this meeting.
 - Board Presentation: Executive Director Tina Mathieu - In the last Administrative Control Board meeting Fred Philpot from Lewis and Young (the firm hired to do a financial analysis of the District) indicated to get to the recommended fund balance of 16.7% there is a need for a one-time tax increase of approximately 25% which would be approximately \$8.69 increase per year impact on the average home. The discussion was that there wasn't a desire to do a double digit tax increase, so an alternative was to do a 9% increase for three years in a row and 3% for the following four years after that ending in 2025. A 9% increase would be approximately \$3.08 increase per year on an average home. The one-time action of 25% would get to the fund balance of 16.7% and would mean no more borrowing from the county throughout the year and have additional cash on hand for additional expenses. The alternative 9% for three years and 3% for four years would also get the District to the 16.7% fund balance but will take longer to get there. Both projections will allow the District to retain the level of service, accounts for the anticipated call increase, and the need to increase the number of employees by 2.13 by 2025.
 - Mayor Caldwell - Part of the conversation with the Administrative Control Board what that nobody felt comfortable with the double digit tax increase. The 25% was not a conservative or good way to go. We agreed that a regular, much smaller incremental increases to show what's happening and to help cover the growth is more of a responsible way to approach that. Collectively we came to the 9, 9, 9 where some form of a much smaller, more incremental increase. We have not raised this rate and have taken what the certified rate was for 13 years and the

county has grown tremendously over that period. We also looked at ways to cut expenses but each one resulted in a decrease in service levels. We all agreed that with this being such a sensitive organization where 95% of the phone calls are answered within 15 seconds which is the national standard and allows us to receive grants and other financial incentives to keep that level high. Without doing anything that service level will drop to almost 60%, and when he thinks of people calling in crisis and need this to be efficient, going back to the public and saying that we do not want to increase our revenue so we are decreasing our service. This is not something that we would want to take to the public. He speaks for the rest of the Administrative Control Board members to say we appreciate your consideration.

- Mayor Call - Agrees with Mayor Caldwell and feels that \$.26 per month per household is easily justified to keep the 911 service high and not keep people waiting on hold.
- Governor Ebert - Asks the District staff if there is a cost for raising taxes every year verses a one time increase? Executive Director Tina Mathieu answers that the cost will be about \$10,000 per year for printing and \$23,000 per year for postage for the postcards.
- Mayor Caldwell - Realizes that nobody enjoys being in this position. Ideally we would have recognized this four years ago, however the then Governing Board chose not to do that, so this is a little backward but it is where we are at and we need to address it.
- Governor Ebert - Asks what the annual net is each year with the 9% increase? Executive Director Tina Mathieu answers that the projected increase would be \$339,841 the first year for 2019. We will be able to absorb the printing and postage costs into the 2018 budget because of the cost savings we have had this year. She will not ask the Board to open the budget to take it out of fund balance.
- Governor Harvey - Asks what happens if the growth happens faster than the projected growth. Would this affect the amount of the increase? Executive Director Tina Mathieu answers that the projection is very conservative and the increase can be adjusted each year.
- Mayor Call - The beauty of this recommendation is that it is looked at every year to make sure we are where we are supposed to be instead of asking for the large increase. Asking for \$.26 per month is easier, and what we need to keep the business going forward with the growth rate and the service that we are providing.
- Mayor Caldwell - We (Ogden City) had a Truth in Taxation for the first time in 28 years a number of years ago. What we found was that people were really upset that the issue was not addressed by the prior administrations for three decades, and when it did come to a crisis mode the people who were there to manage it had to pay for the sins of three decades for fear of inaction. We don't want to do that. It's worth having this conversation, even though it is uncomfortable it has to be managed and address the needs of the future.
- Mayor Truett - Just wants to clarify that the rate can be adjusted every year to depending on the growth of the county. Treasurer John Bond answers that there is flexibility to move the 9% to 8 or 10 as needed. As Treasurer of this organization we just need to hit our marks. As Treasurer for the County you needed to change

where the organization is heading and this clearly does that, 9, 9, 9 clearly sets the stage for that.

- Governor Ebert - Looking loosely at the financials we are operating at a loss, not a tremendous amount. The 9% increase in the next three years will allow the District to stop borrowing money from the county. After this first year or year and one half the District becomes more solvent operationally and will allow it in a manner when they will not need to borrow money, to grow the fund balance, and to pay the bills during the year. He wants to point out that operationally 911 has not been run into the ground financially, but we do have an operational deficit that we need to address that is not large. It is the way the revenues are staggered when they come in put the District in a position that they have to borrow against future revenues.
- Mayor Caldwell - asks the Treasurer how much money the District receives in December. Treasurer John Bond answers \$3.5 million. That is 50% of the revenue. The threat was that in the next couple of years there would not be enough in that revenue to pay back the loans and the \$50,000 yearly interest. That was the threat to both organizations.
- Executive Director Tina Mathieu - There has been a lot of talk about the Spillman and the building. The Spillman is the software that we purchased for all the Fire Departments, the Police Departments, Records, the Jail and Dispatch. One thing that it is important to know is that even though we did spend the cash to buy it, there was a savings of about \$3.5 million in a 10 year window because of the cost of maintenance with the previous company and the rate it was increasing every year. We did spend the cash up front but it has and will save us in the long run. We would be in the same place or worse financially if we had not purchased Spillman. And with the building we absorbed all of that bond cost into our operating costs.
- Governor Harvey - When it is said that it is costing us \$50,000 per year to borrow the money, you could say that \$50,000 per year could go against the \$3.5 million that we saved. So we are still saving \$3 million net if you have to borrow money for 10 years. ($\$50,000 \times 10 = \5 million) On behalf the existing Board of Governors for this board his understanding is that the Advisory Board has been disclosing the trends for some time and as Treasurer Bond became involved we have learned more of how the budget is going and now as a Board of Governors we face a situation that is more critical than if this same Board of Governors would have done incremental tax increases in the last several years. Is that accurate?
- Mayor Caldwell - That is accurate. From his seat as Chair of the Advisory Board they have talked about it. This is a little backwards. He would have preferred to have brought the capital expenditure four or five years ago and had conversations about a tax increase then. That didn't happen so we are forced to address it now.
- Executive Director Tina Mathieu - Just wanted to mention that prior to Mayor Caldwell being our Chair, previous Chairs and Vice Chairs have gone to the Governing Board and they have said no.
- Governor Harvey - Even though this information has not come to his attention in the last two years, we are happy to assume responsibility. He likes the idea of taking it up gradually at \$.26/month. Although he absolutely hates it, it seems like a reasonable solution.

- Governor Ebert - What percentage do we need the fund balance operating at to provide stability so that the District does not need to borrow dollars? Executive Director Tina Mathieu answers that the target is 16.7%. Governor Ebert would like us to address that in 2022 we are at 19.17%, have we built into the model the capital projects.
- Governor Harvey - Commented that the Board of Governors will look at this every year. Asks Treasurer Bond if he is satisfied with the 9, 9, 9, 3, 3, 3, 3 as recommended. Treasurer John Bond answered: yes he is.
- Executive Director Tina Mathieu - Also wanted to point out that when the citizens voted us in as a Special District the maximum tax rated that the voters approved was .000387. Even at the year 2025 we will be at .000343, which is still less than was approved by the voters.
- Governor Harvey - As one of three of the Board of Governors who hope to be here in 2025, he has no plans of exceeding what the voters have approved.
- Governor Ebert - Made a motion to move forward with the proposal to increase the certified tax rate to .0002560 at a total tax increase of \$339,841 which is a 9.4% tax increase an estimated net annual impact of \$3.08 per household. The purpose of the tax increase is to replenish the fund balance, reduce borrowing from the county and to maintain levels of service over time.
- Governor Harvey - Seconds the motion. Any other discussion. All in favor, Aye. A motion passes with the two members present.

4. Set Public Hearing of November 28, 2018 at 6 p.m. for:

- a. Discussion of the tax increase - a motion to Set Public Hearing of November 28, 2018 at 6 p.m. for the discussion of the tax increase was made by Governor Ebert, as second by Governor Harvey. Motion carried by unanimous vote of the attending Governing Board members. Location will be here in the Conference Room of the District.

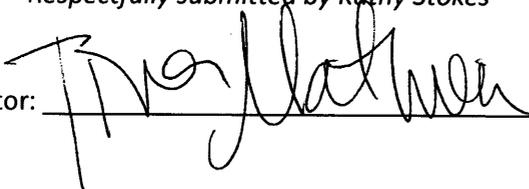
Governor Harvey would like to talk to the other Governing Board member, Governor Jenkins prior to spending the money for printing to move this forward to make sure he is where he needs to be. Governor Harvey will talk to Governor Jenkins then call Mayor Caldwell. Caldwell will advise Tina if she should approve the printing and she will advise John Bond by Friday.

5. Next meeting October 22, 2018: A motion for the next Governing Board Meeting to be held on October 22, 2018 was made by Governor Ebert. A second made by Governor Harvey. Motion carried.

A motion to adjourn was made by Governor Ebert. Meeting adjourned.

Respectfully submitted by Kathy Stokes

Director: _____



Date: _____

November 28, 2018