



WFRC BUDGET COMMITTEE

Minutes

October 8, 2020, 11:15 am

A meeting was held on Thursday, October 8, 2020, via remote connection, due to the safety restrictions put in place by the Utah Governor's Office, in response to COVID-19 concerns, in Salt Lake City, Utah. The following were present:

2020 BUDGET COMMITTEE	IN ATTENDANCE
DAVIS COUNTY	
Commissioner Bob Stevenson	No
MORGAN COUNTY	
Councilmember Tina Cannon	Yes
SALT LAKE COUNTY	
Councilmember Michael Jensen	No
Mayor Jeff Silvestrini	No
TOOELE COUNTY	
Commissioner Shawn Milne	Yes
WEBER COUNTY	
Mayor Mike Caldwell	No
BOX ELDER COUNTY	
Commissioner Jeff Scott	Yes
Others in Attendance	
Andrew Gruber, WFRC	Wayne Bennion, WFRC
Ned Hacker, WFRC	Tim Rees, KHSA
Loveit Baumgardner, WFRC	Stephen Capson, KHSA
Andrea Pearson, WFRC	

1. Welcome and Introductions [00:00:08]

Commissioner Shawn Milne, Chair, called the meeting to order at 11:20am. Introductions were completed via roll call.

Commissioner Milne noted for the record that there is not a quorum in attendance for this meeting, therefore no actions will be taken. All agenda items will be informational only, and any item requiring action will be tabled until the next meeting of the WFRC Budget Committee, tentatively set for January 14, 2021.

Andrew Gruber, WFRC, indicated that he had met or would be meeting individually with those committee members who were not able to be in attendance, to provide a review and discussion of all the materials.

2. ACTION: Minutes of August 13, 2020 [00:01:10]

Tabled until the next meeting of the WFRC Budget Committee

3. Public Comment [00:01:47]

Commissioner Milne opened the meeting for public comments. There were none.

4a. ACTION: Recommend for approval - FY21 Budget Amendments [00:02:24]

Andrew Gruber, WFRC, reminded the Committee that each October, WFRC closes the financial books on the previous fiscal year; this includes verifying the final expenditures, and determining what expenditures and revenues will carry forward from the previous fiscal year (FY20) into the current fiscal year (FY21). WFRC routinely carries forward funding for projects that are multi-year in nature; i.e., a project may be fully budgeted in the first year, but the work is conducted over two or more years, and the associated expenditures and revenues are therefore carried forward into the next fiscal year. This requires an amendment to the current fiscal year (FY21) budget.

As WFRC completed FY20 and we reviewed the final expenditures, actual spending came in lower than budgeted by \$2,306,817. This resulted mainly from spending on some contractual items that occurred more slowly than was budgeted. As a result, the amount of funds that carried forward from FY20 into FY21 was higher than was budgeted, resulting in an increase in the FY21 budget as some spending shifts from FY20 to FY21. The majority of the funds and projects carried forward from FY20 to FY21 are for Transportation and Land Use Connection (TLC) Program projects.

There are also two new programs that have been added since the Council adopted its FY21 budget in May 2020, both reflecting federal funding from the CARES Act.

- Funding for CDBG CV Business Assistance is being passed through Weber County for the purpose of awarding grants to small businesses adversely affected by the COVID19 pandemic in Morgan, Tooele, and Weber (not including Ogden) counties (these are the “non-entitlement” areas in WFRC’s jurisdiction). WFRC received a sub-award in the amount of \$29,990 to assist with administering this program.
- WFRC received a grant from the Economic Development Administration to assist local communities with economic recovery efforts needed due to the COVID19 pandemic.

The WFRC Budget Committee, in lieu of taking an action, accepted the recommendation of WFRC staff that the amendment information presented move on to the Council so they may consider taking action to amend the WFRC FY21 Budget as proposed.

4b. Review WFRC Audit Report for FY20 [00:07:18]

Loveit Baumgardner, WFRC, introduced Tim Rees, and Stephen Capson, with Karren, Hendrix, Stagg, Allen & Company, who provided information regarding WFRC’s FY20 Audit Report. Mr. Rees stated that overall, it was a positive report. There were no material misstatements nor discrepancies. There were no findings of non-compliance related to financial statements.

[00:12:36] Andrew Gruber, WFRC, then noted that Ms. Baumgardner’s decision to postpone her retirement and stay with WFRC as the CFO through the disruption of the COVID-19 pandemic has been very appreciated. The process of recruiting and hiring someone to fill the position of Chief Financial Officer at WFRC has begun again, with Ms. Baumgardner remaining to ensure a solid knowledge transfer.

5. Discussion of Audit Function [00:19:35]

Andrew Gruber, WFRC, then noted that WFRC completed a fraud risk assessment as required by the Utah State Auditor in June 2020. It was determined, based on the assessment, that WFRC was a low-risk candidate for fraud. This is due in large part to the existing policies, internal control practices, and the ethical culture that exists in the organization. One of the recommendations was that the Council formally designate the Budget Committee as the Budget/Audit Committee (BAC) and codify their oversight role for both external and internal audit functions. This was done at the Council’s August 2020 meeting as an update to our [Accounting and Administrative Policy](#) (Policy) (see new section 3).

The updated Policy defines the duties and responsibilities of the BAC in two specific areas: the external audit focus (annual independent audit) and the internal audit focus. The BAC already provides oversight for the external audit, however there is value in enhancing our internal audit function. A reasonable approach is to contract with an accounting consultant to review our policies and processes and periodically review specific areas or transactions. The consultant would also serve as a technical resource to WFRC accounting staff and the BAC on various new accounting

standards that arise from time to time. WFRC staff asked the Office of the State Auditor and our external auditor about this approach, and both believed it would be effective and appropriate.

Therefore, WFRC staff intends to proceed with selecting a consultant to assist with internal audit functions and will coordinate with the BAC in that consultant hiring and scope development. Furthermore, consistent with recent discussions of the BAC, WFRC staff believes it is prudent to provide the BAC with the following reports at each Committee meeting to support the BAC with their responsibility to oversee WFRC's finances:

- Bank reconciliations including check registers
- Budget/Expenditure report

6. Executive Director's Report [00:30:30]

Andrew Gruber, WFRC, provided an update on the possibility of extending the lease on WFRC's office space to provide stability in the budget over time. Options were discussed, and staff will keep the Committee apprised of any potential changes.

7. Other Business [00:44:34]

The next meeting of the Budget Committee is tentatively set for January 14, 2021. WFRC staff will confirm the meeting date and inform the WFRC Budget Committee as appropriate. Commissioner Milne asked if there were any other business items to discuss. There were none.

8. Adjournment [00:48:22]

Commissioner Milne then stated that the meeting was adjourned. No motion was requested due to lack of a quorum. The meeting adjourned at 12:10 pm.

A recording of this meeting, as well as meeting materials, may be found on the WFRC website at www.wfrc.org