



## WFRC BUDGET COMMITTEE

### Minutes

**March 11, 2021 10am**

A meeting was held on Thursday, March 11, 2021, 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:

2021 BUDGET COMMITTEE	IN ATTENDANCE
<b>DAVIS COUNTY</b>	
Commissioner Bob Stevenson	Yes
<b>MORGAN COUNTY</b>	
Commissioner Mike Newton	Yes
<b>SALT LAKE COUNTY</b>	
Mayor Jenny Wilson	Yes
Mayor Jeff Silvestrini	Yes
<b>TOOELE COUNTY</b>	
Councilmember Scott Wardle	Yes
<b>WEBER COUNTY</b>	
Mayor Mike Caldwell	No / Excused
<b>BOX ELDER COUNTY</b>	
Commissioner Jeff Scott	Yes
<b>Others in Attendance</b>	
Andrew Gruber, WFRC	Wayne Bennion, WFRC
Ned Hacker, WFRC	Andrea Pearson, WFRC
Loveit Baumgardner, WFRC	

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

Commissioner Bob Stevenson, Vice Chair, excused Mayor Mike Caldwell, Chair, and called the meeting to order at 10:02am. Introductions were completed by Andrew Gruber, WFRC, who noted all WFRC staff, continuing members, as well as the new members, of the committee.

**2. a. ACTION: Minutes of August 13, 2020 and October 8, 2020 [00:05:40]**

Mayor Jeff Silvestrini made a motion to approve both sets of minutes. The motion was seconded by Commissioner Jeff Scott. The affirmative vote was unanimous.

**b. ACTION: Financial statements/check registers for October, November, December 2020 and January 2021 and Budget/expenditure reports to date. [00:06:28]**

Mayor Jeff Silvestrini made a motion to approve the financial statements as presented. The motion was seconded by Commissioner Mike Newton. The affirmative vote was unanimous.

**3. Public Comment [00:07:47]**

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

**[00:09:20]** Andrew Gruber, WFRC, announced that Kurt Mower has been hired, starting April 1, 2021, as WFRC's new Comptroller, to take the position that Loveit Baumgardner will be leaving later this year.

**4. ACTION: Release for review and comment – Draft FY22 WFRC Goals, Budget and Unified Planning Work Program (UPWP) [00:13:44]**

WFRC staff, in coordination with the WFRC Budget Committee, has prepared a draft document with potential agency goals, a draft budget and a draft of the Unified Planning Work Program (UPWP), which outlines the activities that WFRC plans to undertake in fiscal year 2022.

Andrew Gruber, WFRC, presented the draft 2022 WFRC Goals document.

The proposed WFRC FY22 goals are as follows:

1. Collaboratively advance the Wasatch Choice Regional Vision as a framework for integrating transportation, land use, and economic development, to best address growth-related opportunities and challenges
2. Effectively administer ongoing plans and programs
3. Provide subject-matter expertise to federal, state, and local officials and policymakers
4. Strive for organizational excellence

**[00:21:29]** Mr. Gruber then presented the draft 2022 Unified Planning Work Program document. The UPWP outlines the work tasks that the WFRC will pursue during fiscal year 2022 in collaboration with cities, counties, UDOT, UTA, and other partners.

**[00:22:50]** Mr. Gruber continued by presenting the budget for FY22, which shows an increase of 19% over estimated FY21 expenditures, as several categories of expenditures from FY21 were less than anticipated due to the COVID-19 pandemic. Uncertainty surrounding the fiscal impact of the pandemic led WFRC to institute several cost-saving measures, including delaying or deferring: 1) wage adjustments for staff, 2) hiring of the replacement for the outgoing CFO and a new TLC program planner, 3) filling vacancies that occurred during the year, and 4) entering into new consulting contracts. Other expenses such as travel and training were delayed or eliminated, making those significantly less than what had been planned before the pandemic. The FY22 budget also includes expenses for the Household Travel Survey and the Transportation and Land Use Connection (TLC) Program that were budgeted in FY21 but were delayed due to the pandemic or were initiated in FY21 but are anticipated to carry into FY22 as multi-year efforts. The FY22 budget generally assumes that expenditures will return to a pre-pandemic norm. As we move towards and into FY22, WFRC will continue to assess the economy and market and has the ability to make budget adjustments as may be warranted.

The major expenditure in the budget is for staff salary and benefits. The budget includes funding to maintain the current full-time staff of 30, and for four months for the outgoing CFO who will be retiring at the end of October 2021, and the addition of the new TLC planner whose hiring was delayed from FY21. Consistent with past practice, the budget also includes an overall personnel line item increase of five percent that functions as a cap for salary and employee benefit cost adjustments, including group health insurance.

Consultant contracts represent the second largest expenditure in the FY22 budget. The following are descriptions of two significant areas of consultant expense:

- The largest element of contractual expenditures (approximately \$1.5M in FY22) are for planning and technical assistance on Transportation and Land Use Connection (TLC) program projects funded with WFRC's federal STP funds and contributions from UDOT, UTA, and Salt Lake County, as well as local matching funds. Some of the TLC projects will not be completed before the end of FY21 and will be carried forward to FY22, with a budget amendment to be made in October 2021 when final accounting for FY21 is completed, reflecting the multi-year nature of the program. Much of the variation in the contractual line item reflects those TLC program consultant expenses, which are fully budgeted in one year and then often roll into the next, as well as the growth in the program. The expansion of TLC over time was planned, budgeted, and paid for with specific new funding.
- The other large item (approx. \$1.4M in FY22) is the Household Travel Survey, a significant data collection effort that is conducted roughly every ten years and is managed by WFRC and jointly funded by WFRC and its transportation agency partners. The WFRC costs of the travel survey will be covered through federal Surface Transportation Program (STP) funding. The Household Travel Survey was anticipated to start in FY21, but was largely deferred to FY22 given the disruptive effects of the pandemic on travel.

All other expenditures in other line items were estimated based on past experience and anticipated changes.

Federal transportation funds continue to be WFRC's main source of revenue. Most of WFRC's federal funding comes through the U.S. Department of Transportation. The current multi-year federal transportation funding and policy authorization legislation, the FAST Act, expires on September 30, 2021. The reauthorization process is an uncertain one, and often results in temporary program and funding extensions as Congress and the President deliberate. The degree of risk warrants close monitoring of the situation.

WFRC uses two principal federal funding sources: formula planning (PL) funds, and Surface Transportation Program (STP) funds. In FY20, facing the possibility of a rescission of certain federal funds due to uncertainty and delay in the adoption of the federal budget, the Council elected to accelerate the utilization of PL funds and delay the utilization of STP funds; with the plan to reverse and rebalance that utilization in FY21. This rebalancing action is reflected in the PL and STP funding line items as seen in the "Source of Funds" table. In FY22 the normal balance between the two funding sources is restored.

The budget includes continuing federal funding from the Small Cities Community Development Block Grant (CDBG) program at \$50,000 a year and a modest one-time amount to administer a CARES Act grant program for local government COVID 19 related projects. The budget also includes \$70,000 for the Wasatch Front Economic Development District (WFEDD) and \$335,332 in CARES Act funding for business recovery projects from the Economic Development Administration, most of which will be used for consultants to assist with the projects.

For WFRC FY22 the local county contributions increased by 1.7%. Consistent with WFRC policy, in WFRC FY22 the local county contributions increased by a factor representative of the change in the Consumer Price Index (CPI) averaged over the prior three completed WFRC fiscal years, July 1, 2017 through June 30, 2020. This projected increase supports the ongoing financial stability of the Council. The state contribution remains level at \$140,000.

**[00:41:14]** Commissioner Jeff Scott made a motion to recommend that the Council release for review and public comment the draft Goals, budget and UPWP for fiscal year 2022. Mayor Jenny Wilson seconded the motion and the vote was unanimous in the affirmative.

**5. Discuss FY21 auditor selection [00:42:38]**

In 2016 the Council issued a request for proposals for the performance of the annual audit of the Council's financial records for a five-year period, fiscal years 2016 through 2020. The Council selected Karren Hendrix Stagg Allen and Company (KHSA). The FY21 audit is scheduled to begin in August 2021. The Council's current CFO, Loveit Baumgardner, is retiring and a new Comptroller, Kurt Mower, has been hired. Mr. Mower will begin working with Ms. Baumgardner on April 1, 2021 and, therefore, will have a very short period of time to orient to the job and begin preparations for the annual audit. Staff has contacted KHSA and they have offered to extend the contract for one year at the same rate we have paid the last five years, \$11,000. It is being recommended, and the WFRC Budget Committee agrees, that WFRC accept this extension so as not to be making two major concurrent changes to the audit process.

**6. Executive Director's Report [00:45:30]**

Andrew Gruber, WFRC, opened the discussion regarding the federal monies that each County/City will be receiving as part of the American Rescue Plan. Mr. Gruber also reminded the group that WFRC Council meeting will be held on Thursday, March 25, 2021.

**7. Other Business [00:58:00]**

The next meeting of the Budget Committee is set for May 13, 2021. Commissioner Jeff Scott noted that the UAC Management Conference is on May 12-13, 2021 so there is a conflict. Andrew Gruber, WFRC, stated that WFRC staff will consult with this committee's chair and vice chair regarding a potential date change. The meeting adjourned at 11:01am.

*A recording of this meeting, as well as meeting materials, may be found on the WFRC website at [www.wfrc.org](http://www.wfrc.org)*