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3 **MINUTES OF THE CENTRAL WASATCH COMMISSION (“CWC”) BUDGET/**
4 **FINANCE/AUDIT COMMITTEE MEETING HELD ELECTRONICALLY ON**
5 **WEDNESDAY, SEPTEMBER 22, 2021, AT 9:00 A.M.**
6

7 **Present:** Chair Jeff Silvestrini, Mayor Harris Sondak, Councilor Jim Bradley

8
9 **CWC Staff:** Deputy Director Blake Perez, Communications Director Lindsey Nielsen,
10 Administrator Manager Kaye Mickelson
11

12 **Others:** Auditor, Greg Ogden
13 Carl Fisher
14 Steve Van Maren
15 Patrick Shea
16

17 **Excused:** Executive Director Ralph Becker
18

19 **OPENING**
20

21 **1. Chair of the CWC Budget/Finance/Audit Committee, Jeff Silvestrini Will Open the**
22 **CWC Budget/Finance/Audit Committee Meeting Plus Comment on the Electronic**
23 **Meeting, No Anchor Location.**
24

25 Chair Jeff Silvestrini called the meeting to order at 9:02 a.m. and welcomed those present.
26

27 The Legislature, pursuant to Section 52-4-207(4), required the Committee to make a
28 determination, which was as follows:
29

30 ‘Notice is hereby given that the Central Wasatch Commission will hold a
31 Budget/Finance/Audit Committee Meeting at approximately 9:00 a.m., or soon
32 thereafter, on Wednesday, September 22, 2021. In view of the current COVID-
33 19 pandemic, this committee meeting will occur electronically, without a
34 physical anchor location, as authorized by Utah Code Ann. 52-4-207(4). The
35 public may remotely hear the open portions of the meeting through live
36 broadcast at the following link. Once registered, attendees will receive an email
37 with a personal meeting access link.’
38

1 **AUDIT FY 2020/2021 PRESENTATION**
2

3 **1. Auditor, Greg Ogden, will Present to the Committee on the FY 2020/2021 Audit of**
4 **the Central Wasatch Commission.**
5

6 Chair Silvestrini introduced CWC Auditor, Greg Ogden. Mr. Ogden reported that he completed
7 the audit for the 2020/2021 season and there were no findings. He commended the CWC for
8 complying with all of the regulations, rules, and laws. The Budget/Finance/Audit Committee
9 Members reviewed the Financial Statements document. Mr. Ogden noted that on Page 4 of the
10 document, under Management Discussion and Analysis, it showed the assets and liabilities of the
11 Commission for 2020 and 2021 and compared them side-by-side. The current assets were slightly
12 down, the current liabilities were down, and the net position was slightly down. Mr. Ogden
13 assumed this had been planned for by the CWC.
14

15 Page 5 of the document showed the operating revenues and expenses of the Commission for 2020
16 and 2021. Revenues had increased but the expenses were up slightly more than that. As a result,
17 the change in net position was more of a deficit in 2021 than in 2020. Mr. Ogden did not believe
18 this was a surprise to the Commission. The CWC was in good shape financially and he did not
19 see any issues that would cause concern. Note 8 on Page 20 of the document mentioned that the
20 CWC had not acquired insurance for the Commission. However, Office Administrator, Kaye
21 Mickelson informed him that the insurance was acquired through the Utah Local Governments
22 Trust. As a result, the footnote would be updated to reflect that. The copy sent to the State
23 Auditor’s Office would reflect this change and an updated PDF would be sent to the CWC.
24

25 Chair Silvestrini reported that the net position should be less because the Commission had made
26 determinations to invade reserves to complete authorized programs. The revenues were altered
27 somewhat because of a State appropriation. In addition, some of the CWC member jurisdictions
28 had resumed paying the full 100% member contribution rather than the 90% member contribution
29 that was temporarily enacted to provide some comfort to budgets during the pandemic. Chair
30 Silvestrini noted that Mr. Ogden had the State Auditor look at his work. Mr. Ogden explained that
31 this happens every three years. Every CPA that performed audits had the State Auditor come to
32 review their work papers every three years to give a pass, needs improvement, or fail rating. He
33 had always received a pass rating. The process itself was fairly uneventful and took less than a
34 day. The State Auditor looked through the CWC work papers as well as the papers for several
35 other audits that he performed. He stated that it went well.
36

37 Mayor Sondak noted that the document included information about pension liability. He wanted
38 to understand how much money the CWC would need to have on hand in order to meet the pension
39 liability. Mr. Ogden explained that on Page 19, there was a schedule at the top of the page that
40 showed a 1% decrease, a count rate of 6.95%, and then a 1% increase. The count rate of 6.95%
41 was an estimate of what the CWC was likely to earn on the investments at Utah Retirement
42 Systems (“URS”). If the investments earned 1% less than that, the liability would be \$113,000
43 and if the investments earned 1% more than that, the liability would drop to \$81,000. There were
44 large fluctuations and it was dependent on what the investments earned at URS.
45

1 Mayor Sondak wondered if that meant that the CWC always needs to have \$100,000 available for
2 the liability. Chair Silvestrini stated that based on his familiarity with the issue with respect to
3 another agency, that was a liability that was shown on financial statements but it was unlikely that
4 a liability that would ever need to be paid. Chair Silvestrini explained that it depends a great deal
5 on several factors including how many employees were on the tier one system at any given time.
6 Mr. Ogden confirmed this. Mayor Sondak believed this implied that the CWC did not need to
7 worry about having reserves set aside for this specific purpose.
8

9 Ms. Mickelson noted that Mr. Ogden asked about the Training for Special and Local Service
10 Districts Certificate for the newest Commission Member, Max Doilney. She noted that there might
11 be some additional changes to the Commission in the future based on the November 2021 election
12 results. Mr. Ogden explained that there was a requirement to have Open and Public Meetings Act
13 Training every year. Additionally, it is a requirement to complete Training for Special and Local
14 Service Districts, which was provided on the State Auditor's website, within one year of joining
15 the CWC. Mr. Doilney joined back in January and has until January 2022 to complete the training.
16

17 Chair Silvestrini felt it was important for CWC Staff to ensure that all members of the Commission
18 have completed the necessary training. This would make the next audit smoother and ensure that
19 anyone new to the Commission completes all required training. Ms. Mickelson reported that CWC
20 Staff looks at the training requirements on an annual basis and reassured Chair Silvestrini that
21 records are kept. She also noted that this is the fourth year that Mr. Ogden has acted as Auditor
22 for the CWC. She appreciated that he was a resource for the CWC and the fact that he diligently
23 looks at how the CWC functions and performs operationally. Chair Silvestrini thanked Mr. Ogden
24 and stated that they looked forward to working with him next year.
25

26 **BUDGET AMENDMENT OVERVIEW**

27 28 **1. Staff will Provide an Overview of the Important Benchmark Dates Pertinent to the** 29 **FY 2021/2022 Budget Amendment.** 30

31 Ms. Mickelson reported that the end of September 2021 was the end of the first quarter for the
32 fiscal year. At that time, Staff will review all of the resolutions approved to date by the CWC
33 Board that have budget implications. Those approved resolutions would be used to build a budget
34 amendment. Ms. Mickelson noted that there would be another Budget/Finance/Audit Committee
35 Meeting the week of October 18, 2021, to discuss the budget amendment. In addition, the public
36 hearing process would be posted 7 to 10 business days prior to the November 1, 2021, CWC Board
37 Meeting, where the budget amendment would be presented.
38

39 Mayor Sondak wondered how frequently budget amendments were done. Ms. Mickelson
40 explained that the CWC had only done one previously. It was done on an as-needed basis. The
41 reason for the upcoming budget amendment was due to additional expenses related to the Visitor
42 Use Study and the Environmental Dashboard. Councilor Bradley believed that the budget
43 amendment would simply true up the budget because those expenditures had already been
44 approved by the CWC Board. Ms. Mickelson confirmed this.
45

1 **ADJOURN MEETING**

2

3 **1. Adjourn Board Meeting**

4

5 The Central Wasatch Commission Budget/Finance/Audit Committee Meeting adjourned at
6 approximately 9:20 a.m.

1 *I hereby certify that the foregoing represents a true, accurate, and complete record of the Central*
2 *Wasatch Commission Budget/Finance/Audit Committee Meeting held Wednesday, September 22,*
3 *2021.*

4

5 Teri Forbes

6 Teri Forbes

7 T Forbes Group

8 Minutes Secretary

9

10 Minutes Approved: _____