

**Budget Advisory Board
MEETING MINUTES**

**Held electronically on Zoom
Anchor location: Grand County Commission Chambers
125 East Center Street, Moab, Utah**

October 9, 2020

The Budget Advisory Board met on the above date electronically via Zoom. The meeting was called to order by Chair Chris Baird at 8:40 a.m. with a quorum present. In attendance were Quinn Hall (Clerk/Auditor), Elaine Gizler (Travel Council Director), Gabriel Woytek (County Commissioner), Jaylyn Hawks (County Commissioner), Chris Kauffman (County Treasurer and Board Secretary). Also present was Mallory Nassau (Assistant Commission Administrator). Appearing periodically to discuss their departments were Renee Baker (Personnel Services Director), Andy Solsvig (Airport Director) Tammy Howland (Airport employee), Andrea Brand (Sand Flats Director), and Carrie Valdes (Library Director)

A. Action Items:

1. Approval of Minutes

a. October 2, 2020

Motion by Quinn Hall to approve the minutes, seconded by Elaine Gizler. Motion passes unanimously.

2. Review of budgets for 2020 amended and 2021 tentative:

a. Travel Council

TRT collections have been trending downward the last few years with 2019 closing at a 5.9% increase. That is partly due to removing overnight accommodations as a permitted use. Chris B. expects that to continue into 2021. Since 2020 has been so disruptive, he recommends we build the 2021 projection based on 2019 instead of 2020.

Elaine predicted that international tourism will not coming back soon, so her projection for 2021 revenue is conservatively low: \$1,800,000. Chris B. pointed out that in July 2020 we had 2.5% growth compared to 2019. Discussion was had regarding what growth rate to project over 2019 for 2021. The board agreed to a 4.5% increase over 2019, for 2021 (\$2,796,000). Baird will apply the same percentage to the mitigation side of the TRT.

In expenses, "event funding" is spent to encourage people, hopefully locals, to bring events here in the shoulder season (Dec., Jan., Feb.) Since those generate TRT, it's a worthwhile expense.

The City of Moab reduced the Film Commission's budget. Our agreement with the City is to pay 50% of that budget. Our portion for 2021 is \$78,534.

Other expenses: they discussed travel expenses, office supplies, utilities, and phone. Their professional expenses have gone up because since 2019 they are using CrowdRiff to obtain photos for social media and marketing. They added Dashboard as an expense, which is used to help calculate Visa View reports and other visitation factors, so that outside agencies can see the efficacy of their marketing campaigns. Chris B. put administrative services in, to help with the general fund, so we can avoid levying a property tax increase on citizens. They spent twice as much on billboards in 2020 as they did in 2019, they had billboards for the "Stay on the Trail" campaign and replaced some on I-70.

The MIC staffing contribution, Chris B. said, is outside the terms of our agreement with the Canyonlands Natural History Association (CNHA), and we have no formal proposal from them that describes what the money will be used for. So Elaine will elicit a formal budget request from them and get their financial reports. Elaine had budgeted

\$38,000 for MIC staffing for 2021. Elaine and the CNHA have asked the City to help pay this cost and the MIC restroom cost, and the City has declined.

FAM tours are familiarization tours for journalists, photographers, and travel agents, who will cover Moab and give it exposure. The Travel Council pays for lodging, meals, rafting trips, etc. They had a lot in 2019 (\$38,161), much less in 2020 (\$6,534), and is requesting \$25,000 for 2021. The expense to mail out travel planners due to visitor requests will go up in 2021, Elaine has requested \$30,000 for that. Travel show expenses will go down from 2019 (\$48,240); Elaine has requested \$30,000 for that.

Chris B. calculated the revenue versus the expenses, and found that \$706,000 was unbudgeted, and will need to be budgeted somewhere. They decided on splitting it 50/50 between advertising and the fund balance.

b. Personnel Services

Personnel Services comprises human resources and payroll. Renee Baker said that she had planned on 3 people in personnel services, but she gave up one, so that Matt Cenicerros in I.T. Services could have an assistant, and currently she doesn't need the third position. Professional services expenses will increase in 2021, because Renee wants to do more job advertising in Indeed, Zip Recruiter, etc. She also budgeted more for training expenses.

c. Airport Operations

Andy Solsvig said the travel expense (\$8,000) is for training. On janitorial supplies, Andy explained that they can't use a 5-year average, because of the growth at the airport. Every time the traffic's backed up on Highway 191, people come in and use the restroom. Chris B. pointed out that the janitorial request for \$7,000 was 57% above that expense for 2019, so they settled on \$5,500. They purchased vending machines, so they budgeted \$8,000 for the products to fill the machines, then they'll make money on that, but the endeavor is so new that they don't know what the expenses and revenue for vending will be.

They've added 4 hangars, so there's more waterline to maintain. Also, hangar maintenance expenses will go up in 2021. The hangar doors have had issues over the years, the cables wear out and break, and you can't open the door. They want to get rid of the cables and install a strap system. If they fix one door in 2021, and the other one in 2022, they would decrease that item to \$7,000 for 2021.

Runway/Taxi/Ramp maintenance expense is hard to predict, but they know they'll need to seal cracks and paint the runway lines, so after subtracting contingency costs, they agreed to \$10,000.

They lowered the airport vehicle maintenance 2021 projection from \$7,000 to \$5,000. They lowered the training expense 2021 projection from \$15,000 to \$12,050.

d. Sand Flats

Chris B. pointed out that the projected revenue for 2021 is lower than 2019 actual revenue, at 87%. Andrea Brand said that they are now (2020) at 55% of normal revenue year-to-date (which includes spring 2020 when the county was closed to tourism.) September 2020 revenues, however, were higher by nearly a third (130%) compared to 2019. She agreed with Chris B. to bring up the 2021 projected revenue to 100% of 2019.

Toilet service expenses will go up because they have more toilets now at Sand Flats. Dumping fees are projected to be 39% higher than 2019. They are adding a dumpster at Fins & Things parking lot. The supplies & equipment expense projection is 61% higher than 2019, because now that Motorized Trails Committee is helping them with free labor, they can do more projects, like fencing, and just need to buy the materials. The \$150,000 in capital projects is for a traffic study, and possibly building another lane at the fee booth area, for outfitters, annual pass holders, etc.

Their computers are very old, so they may need new ones, that's why inventory office equipment is 262% of the 2019 spending.

She foresees entering 2021 with a carryover in the fund balance of almost \$550,000.

e. Library

Library revenue comes mostly from property taxes. Carrie Valdes said that they received a \$27,456 grant from the U.S. Census. The CLEF grant (\$7,500) is guaranteed, but the LSTA grant (\$15,800) is a competitive process so they never know if they will get it. They receive \$6,000 from San Juan County through an interlocal agreement. There was discussion about interest revenue.

In expenses: in the 2020 budget process, they were allowed to put \$20,000 into capital building improvements, for the portion of the Library roof that did not get repaired during the 2019 roof repair. They probably won't need it for 3 more years. For 2021, Chris B. put \$20,000 into "Transfer to Capital Projects".

f. Sales, Use, & Excise Tax Updated Projections & Revenues

Chris B. showed the tax revenue chart, and explained the averages. The average of sales tax over the last 4 years is 6.05% growth. He then went over county 1/4% sales tax, restaurant tax, car rental tax, TRT, and healthcare sales tax (which goes to the healthcare district and EMS). Next, he will go back into the general fund budget and plug these new projections in.

If people want to update their spreadsheets, minor changes don't need to be reviewed at a BAB meeting, but they should revisit and discuss any major changes, before sending it to the county commission.

Future Considerations (none)

Adjournment

The meeting was adjourned by Chair Baird at 11:49 a.m.



Chris Baird
Budget Advisory Board Chair



Christopher Kauffman
Budget Advisory Board Secretary