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PRESS RELEASE

RESPONSE FROM COUNTY EXECUTIVE ZOOK TO COUNCIL BUDGET STATEMENT

Cache County Executive David Zook released the following statement in response to a statement by the Cache County Council about the County budget:

Cache County's independent outside auditor cautioned the council earlier this year that politicizing the county's finances could be damaging to the county's financial security. I hope we can work together to heed that advice. Cache County's finances are in the best shape they've ever been. We are projected to have more than \$30 million in the general fund at year end.

Our staff and I can do more to help the council to understand the county's financial state, the budget and the budget process. This is something I am committed to doing. I have recognized weaknesses in that area and have made attempts to help. I have made efforts to assist the council, as well as incoming councilmembers, in understanding the budget and the council's role by organizing training meetings with our finance staff and county attorney. Unfortunately, after the first training was held, a few council members worked hard to shut down those trainings and have refused to participate in or allow others to participate in those trainings. The most recent of those trainings was scheduled for this Tuesday's Council workshop but was removed from the agenda at the last minute after Council Chair Barbara Tidwell was pressured by Councilmembers Erickson and Worthen to remove it. That's unfortunate because it is clear that additional training is needed in order to improve understanding of the budget, the budget process and the council's role. In addition to misunderstandings, I believe some on the council have made their own interpretations of the budget process that suit their political motives.

Our staff and I take seriously our responsibility to manage the public's money. It is a sacred responsibility to be good stewards of the public's tax dollars. That's why we worked very hard to propose a budget that includes no tax increase, is balanced, and pays off debt. That was no small chore given the extreme inflation being experienced by Cache Valley citizens and Cache County departments. I commend our finance staff for their hard work, diligence and professionalism in helping to balance our budget.

Our finances are in great shape. Our independent outside auditor has heard concerns from the council and has tried to explain that the county's finances are being well-managed. Our independent outside auditor explained that the County's finances are on "solid footing" and urged the council to keep politics out of the finances (see Council meeting video from 6/28/22 starting at 8:20). Some on the council didn't like that answer and budgeted \$40,000 to hire a second auditor to try to get a different opinion.

This year's budget process has been the most open and transparent of any process the county has ever undertaken. This has included the following improvements:

1. We provided all of the information we had from departments to the council as soon as we received it. That has never happened before.
2. We asked department heads to provide more detailed information about requests in their budget. The budget has never been this detailed.
3. We met with department heads before they presented to the council to ensure their budgets were accurate and complete and that they were prepared to answer questions about and justify their requests.
4. We gave the council unprecedented access to all internal accounting information. That has never happened before.
5. We provided the first draft of the budget to the council in September, at the same meeting it was provided last year.
6. And we gave the council the final budget a full week earlier than the required deadline.

In past years, there has not been a set pattern or schedule for these processes. Earlier this year, our finance director proposed a calendar to the council for budget presentations and the overall review and approval process. Councilmember Worthen proposed an alternative calendar but the council never decided which one to follow. We asked Chairwoman Tidwell what the council's direction was on the calendar but we never received direction on which to follow. Therefore, we did our best to move forward with bringing departments to council meetings to present their budgets, we listened to council input, and we used that input to build the budget presented.

Some of the feedback we heard from the council included the following:

1. The council wanted the budget to be completed without a tax increase. We did that.
2. The council wanted to receive the budget earlier than the November 1 deadline. We did that.
3. The council didn't want to use \$2 million in savings from the municipal services fund to meet all of the proposed requests in that fund. We heeded that.
4. The council didn't want to spend money on things that would create ongoing costs, such as new or expanded buildings. We heeded that. We instead proposed to use funds to pay off debt and eliminate ongoing debt costs.
5. The council expressed concerns about funding road projects. We proposed a plan to free up close to a million dollars per year to be used on road projects and we secured a half million dollars in road project grant funds from the COG.

We heard the concerns of the council about the budget and worked diligently to incorporate that direction into the budget. That's why we are surprised that the council would be upset about us meeting those requests.

The council's statement expressed that the council felt "dismay with the budget process." That lack of understanding could be alleviated by reaching out to me or staff about questions, rather than saving questions for public meetings when they can create distrust, contention and public accusations. I have reached out to council members countless times over the past two years to try to meet. Two have never met with me. Three have met with me once. I suggested that we bring in a mediator to work with us to improve communications, some council members liked the idea but those who covet contention quashed that plan. There are three on the council, David Erickson, Gina Worthen and Paul Borup who have made it clear that they feel a deep and abiding hatred toward me. They have worked to thwart efforts to build goodwill. They have shown that they will not miss an opportunity to disparage me to their fellow council members, our staff and the public. Unfortunately, when people hear something repeatedly, they tend to start believing it.

The council's statement claims that my introduction of a balanced budget has created dysfunction. Anyone who has watched for any period of time knows that this dysfunction didn't start this week. Improving the way the county operates and increasing professionalism is one of the key reasons why I ran for County Executive and why community leaders urged me for years to run for County Executive. I have faith that we can move forward and establish a professional, productive and collaborative environment, but that would require people to actually talk to me. But more importantly, it would require those on the council who revel in contention to stop stirring up the hearts and minds of their colleagues against me.

The council statement claims that I presented a budget that was "dramatically different" than the draft seen previously. I provided the council with a list of every change that was made to the 26-page document. There were 10 changes and those changes were detailed and explained in the document I provided. Almost all of those changes were items that were discussed with and approved by the council in meetings over the past three months.

The council's statement claims that the budget includes no "line-item detail". The council has access to all of this information electronically through the access requested and that was provided starting in early July. Due to the confusion, I have asked our finance director to send a report with this information. We can provide additional training on the system or provide printouts if desired. The direction given to the finance department was that the budget documents were desired electronically.

The council's statement claims that the proposed budget uses, "aggressive sales tax revenue projections and building fee increases" to balance the budget. The sales tax revenue amount was not changed from the draft to final budget. Estimates were not inflated to increase revenue but remained the same as they were in the draft and follow recent trends and projections provided by our finance department. The building fee revenue actually shows a decrease from the current year.

The council's statement claims that, "vital county services such as road projects and maintenance have been significantly reduced." Road maintenance funds are being sustained at the same level they were this year. If the council would like to increase funding in this area, the council could do that. When a previous version of the budget showed fund balance being used to increase these expenditures, some council members criticized it. We heard the concerns and implemented solutions to them, leading us to propose the budget in the current form.

The council's statement claims that the council did not expect to receive the budget this week. I was planning on providing it next week. However, I heard concerns that the council wanted it sooner, and our finance staff and I worked hard to get it done sooner. It was finished Tuesday afternoon, giving me just a couple of hours to give it my final review before I presented it to the council at the council meeting at 5:00 that evening.

The council's statement claims that this year was the worst budget year ever seen as far as process. I would love to hear more about what specifically has been worse this year. We have been working hard to make the budget acceptable to the council. In our efforts to meet those requests, we did the following:

1. We made sure it didn't have a tax increase.
2. We made sure that it was balanced.
3. We didn't propose to build any new buildings.
4. We proposed to pay off debt.
5. We provided all information from departments as soon as we got it, starting in July.
6. We provided statutorily required Statements of Estimated Expenditures and Revenue throughout July as they became available from departments, months before the statutory deadline of September 30th.
7. We provided a draft budget six weeks before the executive's submission deadline and three and a half months before the council's deadline.
8. We provided the council with unfettered access to all internal accounting information.
9. We brought the department heads to council meetings to explain their budget requests.
10. We provided a final budget a full week ahead of the deadline.
11. We balanced the budget, even in light of extreme inflation and all of the increases already approved by the council, such as an 8% COLA for all employees.

I suspect that what actually made this feel like the worst process ever was gossiping, complaining and whispered criticisms heard by council members from some of their colleagues about me and the budget. I also recognize that the process has been different this year because we have included the council in the budget building process, which has exposed the council to versions of the budget that were incomplete, not yet balanced and that included unresolved questions. The normal process, such as was followed last year, would have been that I wouldn't have provided the budget to the council until we were done balancing it. The sausage making of a budget is complex and can be overwhelming and unpleasant to the uninitiated.

The council's statement criticized that I left the meeting before it ended. I stayed in the meeting for about an hour after the budget was presented and left before the council discussed elected official pay. I felt it would be more comfortable for the council to discuss that topic with me out of the room. There is no requirement for the county executive to attend council meetings. In fact, it appears that some members prefer that I not attend and bristle when I contribute to the meeting. At the suggestion of and in consultation with several people, including elected officials such as our county attorney and council chairwoman, I have been avoiding contact with some council members when possible in order to preserve peace. It is unfortunate that this needs to be the case but I am striving to avoid conflicts, especially public conflicts that make our organization and our community look bad. I have made multiple efforts to avoid contention and conflict with certain councilmembers. This has unfortunately led in some cases to lessening our already limited communications. I have suggested and tried more than a dozen strategies to help improve our communications. Has anyone asked what steps have

been taken by the council to improve our relationship and communications? Publicly accusing and criticizing the executive shouldn't be counted as an attempt at improving the relationship.

The council's statement claims that I have canceled or refused to schedule budget committee meetings. The practice for budget committee meetings as long as I've been here has been that our finance director sets the agenda for these meetings when he needs input regarding questions he has. If he has no agenda items to be considered, we don't hold a meeting. We ask him each time there is supposed to be a meeting and if he doesn't have agenda items, the meeting gets canceled. These meetings have been dominated by discussions about ARPA funds for the past year plus. There have been some days when the meeting was scheduled but there were scheduling conflicts and there were others when I was told that there was nothing on the agenda. If council members want to talk to us more about the budget, I am willing to meet any time.

The council's statement asserted that council members miss having a collegial relationship with department heads. I agree that many department heads have been dismayed and disappointed by the behavior of some council members and that that has harmed their relationships. Some department heads also feel disrespected by council actions that don't consider their needs, such as the council's lack of willingness to conduct a space needs analysis after staff have complained that they are out of space to do their jobs. In addition, when the council attacks the executive or proposals he makes, those proposals sometimes originate from department staff and an attack on the executive's position sometimes feels to staff like an attack on them.

The council's statement claims that, "the information needed to develop a sound and responsible budget has been lacking" and that the "council doesn't have the detail needed to perform their budget duties." The council has all of the information that has been requested and all of the information I have. The council has received that information as soon as I received that information. According to staff who have been through this process in years past, the council has been given more information this year than ever before - and sooner. In fact, one staff member checked to see what past time frames have looked like. After picking one year and checking to see when the budget was submitted to the council in 2010, it was found that it was submitted on November 9 that year, more than a week after the deadline. Was there a press conference that year?

The council's statement feels like it is a continuation of behavior we have seen from some council members all year. John Luthy told the council in February that the council needs to stop trying to make political issues into legal issues. He said in February that accusations against me are unfounded, that I've followed the law and policies (see council video 2/2/22 2:09). That continues to be the case today.

The council and I both have room for improvement in our communication with each other. The weaknesses in our communications have hampered the relationship between our respective branches of government. I have worked and will continue to work to improve the communications between us. I remain committed to improving these relationships. We must work together to make positive contributions in our county. I welcome all efforts to join me in this important cause as well as the many other needs we need to focus on as a team. We have a great community and good leaders who are willing to serve. I look forward to working with all of our elected officials to serve our Cache County residents.

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