

APPROVED MINUTES OF THE UTAH LEAGUE OF CITIES & TOWNS
BOARD OF DIRECTORS MEETING
HILTON GARDEN INN, INDIGO ROOM
1731 S CONVENTION CENTER DR. ST. GEORGE, UT 84790
WEDNESDAY, APRIL 5, 2017
12:00 PM

CONDUCTING: ULCT Board of Directors President, Mayor Steve Hiatt, Kaysville

EXECUTIVE BOARD

Mayor Steve Hiatt, President, Kaysville
Council Member Beth Holbrook, 1st Vice President, Bountiful
Mayor Jon Pike, 2nd Vice President, St. George - EXCUSED
Council Member Lynn Pace, Past President, City of Holladay

BOARD OF DIRECTORS

Mayor Karen Cronin, Perry
Mayor Dean Baker, Naples
Council Member Andy Beerman, Park City
Mayor Mike Caldwell, Ogden City
Mayor Ted Eyre, Murray City - EXCUSED
Mayor Carmen Freeman, Herriman
Council Member Mike Mendenhall, Spanish Fork
Mayor Dave Sakrison, Moab
Council Member Kelleen Potter, Heber
Council Member Bob Stevenson, Layton
Council Member Curtis Ludvigson, Sterling
Mayor Brent Taylor, North Ogden

ULCT STAFF

Roger Tew, Interim Executive Director
Kerri Nakamura, Chief Financial Officer
Cameron Diehl, Director of Legislative Affairs
Nick Jarvis, Director of Research and Technology
Susan Wood, Director of Communications and Training
Brandon Smith, Legislative Research Analyst
Meg Ryan, Planning Consultant
Jodi Hoffman, Land Use Attorney
Abby Bolic, Operations Coordinator
Peter Lara, Editor/Videographer

OTHERS PRESENT

Michael Michelsen, Eide Bailly LLP
Wayne Pile, West Valley City Mgr.
Kane Loader, Midvale City Mgr.
Mark Christensen, Saratoga Springs

EX-OFFICIO MEMBERS

David Church, Legal Counsel
Leigh Ann Warnock, UMCA President

WELCOME AND INTRODUCTIONS

ULCT President, Mayor Steve Hiatt, called the meeting to order at 12:00 p.m. Mayor Pike welcomed all to St. George. President Hiatt asked for introductions of the Board.

REVIEW & APPROVAL OF MINUTES

Mayor Steve Hiatt called for a motion to approve the minutes of the February 13, 2017 ULCT Board Meeting.

Board Member Bob Stevenson moved to approve the minutes of the February 13, 2017 ULCT Board Meeting as presented. The motion was seconded by ULCT 1st Vice President, Beth Holbrook. The vote was unanimous. The motion carried.

CONFLICT OF INTEREST DISCLOSURE

Mayor Steve Hiatt asked for disclosure of any potential conflict of interest with agenda items. None noted.

ULCT BOARD & COMMISSION REPORTS

Reports from ULCT representatives to Boards & Commissions. A handout was provided listing the Board Members/Staff presently representing the ULCT.

Representatives from ULCT represent the League around the state with certain assignments.

Board Member Pike, Cameron Diehl, and the Joint Highway Committee met in September regarding funding for transportation projects in rural Utah. The next meeting will be held in two weeks. There are a total of 60 representatives. The Association of Counties is also a member representing their members. With a vacancy on the committee, there is need for someone from Southern Utah to fill that position. Beaver is interested and has not previously been on the Board.

Board Member Pike moved to appoint Jason Brown, Beaver City Manager, to the Joint Highway Committee. The motion was seconded by Board Member Mike Caldwell. The vote was unanimous. The motion carried.

Board Member Beth Holbrook reported the Wasatch Front Regional Council talked about how to view transportation and the connections created. They are trying to determine, based on feedback, how they want to proceed with transportation as a whole (walking/biking roads, highway). The idea of a connection model was discussed along with ways to engage the Councils and City Managers. There is an opportunity to take information back to mayors and councils with an update of what is going on in all communities rather than just their own.

FY 2016 EXTERNAL FINANCIAL AUDIT & FINANCIAL STATEMENTS

Michael Michelsen, of Eide Bailly LLP, reviewed the FY 2016 External Financial Audit & Financial Statements. Financial statements were distributed previously to the Board.

See the attached audit report.

Eide Bailly waited for the State Auditor's Report before conducting their audit. They are expressing an adverse opinion because no records were available to audit the Co-op. The State Auditor's office agreed to accept this report with the adverse opinion. An unmodified report was issued for the League by itself, excluding the Co-op.

Board Member Lynn Pace commented it had no connection to the League. As of this date, there is nothing available to audit. Kerri Nakamura commented the State requested financial statements and documentation needed for the audit. They also asked for information in the League office, and Staff pulled everything out of long-term storage. Those records are now in the custody of the State Auditor. Board Member Pace commented they are anticipating a 2017 audit. David Church interjected that all documents will be returned within the next few weeks.

Mr. Michelsen explained that the state of the documentation was poor and nearly un-auditable. "It will need a lot of accounting and clean-up before we get there." David Church affirmed they would be put it in good shape in time for next year's audit. President Hiatt remarked the timeline was way past where it should be, but the auditors were in an awkward position because they had to wait for the State Auditor. He thanked them for their cooperation.

Kerri Nakamura added that the external financial auditor learned about the Co-op through the press, as did many of the Staff and Board. That's when work on the Co-op began. When the engagement letter with the auditing firm was signed, the League was not aware this was a "thing". Board Member Pike asked if the subject was ever brought up in past audits. Ms. Nakamura said that in 2013, they can see nothing as to why it disappeared as a related party at that time.

President Hiatt asked Kerri Nakamura to touch on four things:

- **Quarterly financials** - when Kerri joined the league in October, no basic accounting had been done in order for bills to be paid. She has been doing catch-up. That 2017 finding was because we were late in providing that information. Everything is completely caught up at this time. Because the accounting was not caught up, there was no way monthly monitoring was happening. Since January, Kerri has met with the Treasurer to conduct that monitoring.
- **Open and Public Meetings Requirements** - many of the Board Meetings were not noticed through the Utah Public Notice Website. A process is now in place designating Staff to make sure that happens.
- **Budget Process and Public Notice** - ULCT was not holding public hearings, so there were no meetings to notice. Now we have a guide so we will be in compliance for 2017.
- **Treasurer's Bond** – we are working with the Trust to get the Treasurer's Bond needed to be compliant for 2017.

Board Member Lynn Pace asked what the auditors review and what they do not review regarding internal controls. "You didn't do our report last year, so given what we now know, how should those problems have been detected, and should they have been detected by our auditors then? Should we expect our auditors to catch that, or do we need to incorporate internal controls to review those items?" Mr. Michelsen responded that the ULCT should maintain some internal controls. The auditor prepares the financial statements. Board Member Pace asked, "If they are not expected to be caught by the auditor, who is expected to catch them and where?" Mr. Michelsen responded that he is independent and could not say what the prior auditor should have

caught. The Board should probably have looked at the credit card statements sooner than they did. Auditors are not looking for fraud, they are not required to, so an audit is just to say whether financial statements meet the gap. “Michelle Reilly’s expenses were beneath the threshold so auditors did not catch that. We try to detect anything above that threshold.” Board Member Pace responded that the Board must be much more vigilant. President Hiatt commented, “We are looking for a governing board, not a ceremonial board. We are getting policies in place which current Staff is implementing with checks and balances. The Board will be meeting far more often and will know what is taking place.”

As several City Managers were in the audience, it was asked of them what they felt Board Members can do better. Saratoga Springs City Manager Mark Christensen, West Valley City Manager Wayne Pile, and Midvale City Manager Kane Loader were present and collectively commented saying that as a standard, any time there are audit findings, that is a red flag for you. An audit finding is a hard look at what is going on. There could be an Ex-Officio City Manager on the Board who could ask those hard questions and look to those people to give that professional advice. If someone is going to commit fraud, they are going to find a loophole. Internal controls are critical; checks and balances are critical. Fraud is not about bad people. It is about good people who have multiple opportunities and make mistakes.

Board Member Andy Beerman asked if it would make sense for the Board to subject themselves to a State audit every five years. David Church responded that the State Auditor’s office is not a super-auditor over the audit. Nobody checked to see if anyone followed the new policies. It was not the auditor’s fault for not randomly picking a charge that was incorrect, but that of the Board for not following through. New policies and procedures have been put into place and the problem will be taken care of. Kerri Nakamura reiterated what Mr. Church said and suggested a re-cap of all that has been accomplished thus far.

ULCT 1st Vice President Beth Holbrook said that in an ideal format they would like to have an auditing perspective for what an organization of this size can put into place. Mr. Michelsen said they would be happy to do that kind of consulting, but not as part of an audit.

Board Member Pace moved to accept the FY 2016 External Financial Audit & Financial Statements as presented. The motion was seconded by Board Member Jon Pike. The vote was unanimous. The motion carried.

ULCT INTERIM TREASURER’S REPORT

ULCT Interim Treasurer, Carmen Freeman, presented the Treasurer’s Report. He has been reviewing checks thoroughly twice a month, making sure approvals are taking place. He and Interim Director Roger Tew review them independently. The balance sheets are reviewed once a month.

He asked the group to look at contracted labor being paid under 1099, as there are varying rules and regulations, to make sure the League is compliant.

Board Member Freeman commented on the need for a discussion as to who the new Treasurer will be and whether they should they be a part of the Board or separate.

Board Member Stevenson moved to accept the ULCT Interim Treasurer's Report as presented. The motion was seconded by Board Member Caldwell. The vote was unanimous. The motion carried.

FY 2017 Q2 FINANCIAL REPORT

Interim Treasurer Freeman and Kerri Nakamura, ULCT CFO, presented the FY 2017 Q2 Financial Report, stating the Q3 report would be ready by the end of April. The team has done a great job bringing in revenue and that will show in the Q3 report.

On the expense side, 46% has been expended. The League will likely not be in a deficit position at the end of 2017. Moving through Q3, The Board will see savings in the personal services line item and over-expenditure in contracted labor.

Board Member Dean Baker would like to see a once-a-year workshop on the budget to know what the League is allocating. Staff would prepare the report for Board review. Kerri Nakamura felt that was a great recommendation and indicated the League's process would mimic a city process.

Board Member Freeman moved to approve the FY 2017 Q2 Financial Report as presented. The motion was seconded by Board Member Cronin. The vote was unanimous. The motion carried.

ULCT BOARD & COMMISSION APPOINTMENTS

ULCT Interim Executive Director, Roger Tew, called for a motion ratifying the following appointments to ULCT Boards and Commissions:

Roger has gone through and identified vacancies on various boards, and at the next meeting will have recommendations in place. The intention was to have all of those to you by the next meeting to take action on.

Brandon Smith presented a list of board vacancies, which is not necessarily complete. He asked for all to review and communicate other known vacancies to Staff. The Governor has imposed his own requirements, even though recommendations come from the League, there have been times he has not accepted those recommendations.

Board Member Freeman asked who will be making the recommendations. Roger Tew commented he would be making them to the Board. Board Member Freeman felt the Transportation Task Force was very important and recommended Mayor Brent Taylor of North Ogden in behalf of the League.

Board Member Lynn Pace moved to ratify the appointments of individuals currently serving as listed in the attachment to ULCT Boards and Commissions. The motion was seconded by Board Member Jon Pike. The vote was unanimous. The motion carried.

ULCT SPONSORSHIP PROGRAM

1st Vice President, Beth Holbrook recused herself from this discussion.

Roger Tew and Kerri Nakamura reviewed the proposed Sponsorship Program as outlined in the handout provided to Board Members. They have been busy meeting with people who want to be sponsors of the League or who have been sponsors in the past, and asked their view regarding the value of the sponsorship. It was mentioned they would like access to elected officials, but also wanted more tangible benefits. A draft has been written outlining some of the things vendors have brought up. Three new sponsors have been brought on and two others jumped from one level to another. Their ideas are being well received. Basic levels have been put in place designating exhibit spots at conferences and other benefits. Sponsors may also sponsor individual aspects of a conference with signage indicating the element sponsored.

Mayor Hiatt commented sponsors want to know what they are getting and that it is fair. Every sponsor at a certain level received an attendee list by e-mail. The signature sponsor will not sponsor the essay contest any longer. A new sponsor, Maverik, will sponsor the “Why I like my Community Contest”. They are checking it out this year and may sign on to continue.

The League has also been in conversations with the Trust. They are sponsoring a BBQ this afternoon. Steve Hansen indicated that they want to be a sponsor of the League. They would like to commit to three consecutive years at the \$60,000 rate which is where they were when they left. They will sign a three-year commitment and write the first check next week to get in this current budget year. We are calling that a partnership at that level. They will also be paying next year’s money this year because they know it helps the League to be able to recognize that money this year. Board Member Pace said Ken Bullock’s frustration in the past was that the \$60,000 figure had been generated years ago. Ken’s sense was the relationship had grown substantially and the value given them was substantially more than \$60,000. They were in the process of negotiating and when the relationship ended. Board Member Pace said this is not a Board function. He felt it makes sense to re-engage in that partnership, but cannot speak to what level that ought to happen.

The Trust will pick up some of the expenses the League is now paying. Kerri Nakamura commented it will be another \$10-15,000 a year that the League currently pays that they will pick up.

Roger Tew commented there is some scar tissue remaining. This is a way to repair that and get things going again, and that is how we ended with a multi-year agreement. The Trust is looking for a certain sign of good faith on our side. All agree the amount of the agreement will increase in the future.

Board Member Jon Pike moved to adopt the proposed Sponsorship Program with the Trust as presented. The motion was seconded by Board Member Cronin. The vote was unanimous. The motion carried.

Councilmember Holbrook abstained.

ADOPTION OF 2016-2017 MEETING SCHEDULE

Mayor Steve Hiatt and Kerri Nakamura presented the proposed 2016-2017 Meeting Schedule. Governing Bodies must have a posted meeting schedule by Utah State law. If a meeting were to be canceled, it would have to be done formally on the Utah State Website. They felt it would make sense to meet on the same dates as LPC, the third Monday of the month, with the exceptions of special meetings. Two other exceptions will coincide with conferences. Cameron Diehl reminded the Board the LPC meetings were held at the Trust building, but moved to Zions when they left the partnership. He suggested taking the meetings back to the Trust building in North Salt Lake. They are looking into internet capabilities there before things can be finalized. Traditionally, LPC meetings are not held in May or July, so the Board would still have meetings at noon in those months that would not conflict with LPC.

It was pointed out it would be nice to not have to go from one location to another for the two meetings. Kerri Nakamura commented holding the meetings at the Trust Building would alleviate ADA issues at the League's building. The Trust would host the meetings, including paying for lunch. The proposed standing time would be 9:00 a.m. Meetings not coinciding with LPC would be held at noon. The next Board meeting is scheduled for May 15th at Noon. May and September meetings would also be held at noon, with the rest at 9:00 a.m.

Board Member Caldwell moved to adopt the 2016-2017 Meeting Schedule as presented. The motion was seconded by Board Member Stevenson. The vote was unanimous. The motion carried.

ADOPTION OF 2017-2018 BUDGET CALENDAR

Mayor Steve Hiatt and Kerri Nakamura presented the proposed 2017-2018 Budget Calendar. Kerri will advertise a budget public hearing and asked the Board if they would like it on the same date they adopt the budget. If significant public response is received, the Board could table action to the subsequent meeting. It was suggested the public hearing take place the same day as the LPC meeting. Mayor Pike said their city holds two public hearings. David Church commented it is not required to adopt a tentative budget.

President Hiatt would like to adopt the budget calendar as presented and then take the next month or so to ponder and add a public hearing in May.

Board Member Freeman moved to adopt the 2017-2018 Budget Calendar as presented. The motion was seconded by Board Member Pace. The vote was unanimous. The motion carried.

2017-2018 PROPOSED DUES

Roger Tew and Kerri Nakamura reviewed the 2017-2018 dues levels. The calculation has been adopted for some time. The formula takes into account property valuation, population and sales tax receipts. There is a factor put against each of those components and cities can see what rate each part is multiplied by. These proposed rates are the same as last year, allowing for natural growth. Roger recommended the Board consider keeping rates as they are, allowing a natural

3.4% growth, which is usual, with the understanding that is how the League pays for ongoing costs for the organization.

Lynn Pace recommended stating there will be no artificially increasing of dues. Amounts will change based on the formula.

Board Member Pace moved to approve the 2017-2018 dues listing as presented. The motion was seconded by Board Member Stevenson.

1st Vice President Beth Holbrook asked how it had been formulated as to incorporating townships. David Church said townships are stuck in the municipal code. They are a strange kind of entity and would like to join the League, but the dues they have been quoted seem extremely high. Kerri commented the rate seems high to them because their budgets are based on 100% of income taxes that go to the County and Service districts. David Church said it is not worth it for townships to pay dues; perhaps they could just attend conferences and pay the increased registration.

The vote was unanimous. The motion carried.

2017-2018 BUDGET PREVIEW

Roger Tew and Kerri Nakamura reviewed the 2017-2018 Budget Preview with the Board. They will bring back the tentative budget based on dues just adopted. The report shows how ongoing revenues pay for expenses.

EXECUTIVE DIRECTOR HIRING PROCESS

Mayor Steve Hiatt reviewed the proposed hiring process. Each Board Member received a letter in the packet. Roger Tew has been filling in for the previous Executive Director. Two options were presented for the hiring process. Internal and external processes were discussed. As outlined in the letter, the Mercer Group would be hired in the event the external option was selected. Board Member Carmen Freeman asked Roger for his perspective, as he felt he has done a wonderful job in a very difficult situation.

Roger commented that he would not be a candidate for this position due to his age and years of service. He told the prior Director two years ago that FY 2018 would be his last year. He wrestled with whether to reconsider, but felt the new Director should be somebody who will be able to remain in the position long term. As to an internal/external process, he recommended caution. He stated there are two issues to consider, process and timing. There are questions to be asked. Has the turnover of the Board cut into the ability to monitor the roles? Does the composition of the Board cover constituents all over the State? If the functions of the Board are changed, it must be done at the annual meeting on a ballot. The membership will have some views about it.

Board Member Stevenson asked if the Executive Director position would be stronger with a different model. Roger responded that changing the Board to include longer terms for officers would not affect the lobbying issue. President Hiatt felt the new Director should be in on the decision-making as to what changes are made to the Board. Roger Tew has committed to stay as

long as he is needed; however, members are anxious to know what the League is doing regarding the new Director. They need to know the League has a direction and a plan. It would be nice to be able to say at the September conference that the Board has adopted a process to start an in-depth search.

Board Member Freeman commented the new Director should be given time to be ready for the next legislative session. If external measures are taken, they should help look at how other states function, and with their assistance, be better prepared ourselves. The Board must determine which process would create credibility so when completed, the member cities feel the Board used the best process.

President Hiatt commented that in order to lead this effort, he has bandwidth and capability, but is not advocating for it. The Mercer Group has a more thorough outline. The League would be paying for their follow-up, coordination and expertise. 24 hours ago he would have voted for option 1, but after discussion, would vote for the 2nd.

Board Member Sakrison said their city hired a firm to vet and go over applicants after they internally advertised and received many applicants. He felt the funds paid to the outside firm was money well spent. Going with an outside firm lends credibility to the process. It builds the confidence of the members. Mercer recommends 120 - 130 days to complete process. They would ensure they take the time necessary to do a good job.

Board Member Cronin reiterated the importance of regaining the trust of members after what has occurred and feels an external vetting process would help gain back that trust. As many people as possible need to be a part of that process.

Board Member Potter asked if there was some Utah cultural element that might be tapped into. President Hiatt commented the focus group would be local and Mercer would be the organizer.

Board Member Taylor commented consultants have their place but that final decisions must be made by this Board. If Mercer is hired, strict guidelines must be in place that Mayor Hiatt is running the process and they are there to consult and advise. President Hiatt agreed the Board should have the final decision-making authority. The Board should see all applicants and be aware of everything as it is happening.

Board Member Pike commented he agreed, and stated he also had a previous strong preference to Option 1, but has been turned a bit by others' comments. He is supportive of Option 2, with the same considerations expressed by Mayor Taylor. He also stated a timeline would be important and should be ready to present in September.

Board Member Freeman asked for a breakdown in cost to perhaps mesh both options together and reduce the cost. Board Member Potter reiterated her desire to find someone local to help organize.

President Hiatt commented he spoke with a representative from the National League who asked if the Board was looking for someone well connected at the capitol, someone who knows everyone, or someone who understands how state leagues are supposed to operate. Board Member Beerman asked if the Board should be looking for an administrator or someone familiar with legislatures and Utah's uniqueness. That would determine whether to conduct a national or local search.

President Hiatt said he would work closely with Mercer and conduct separate discussions with the Interim Director and staff members to define work relationships, desires, experience, etc. Once the work has been detailed, a brochure would be produced for prospective candidates. Mercer would do that, but they would have a focus group discussion to decide.

Board Member Beerman asked Roger if he would be willing to take on a mentor role for the new Director through the next legislative session, assuming it's needed. Roger responded that he would stay as long as the end of the 2018 legislative session.

1st Vice President Beth Holbrook foresees high application numbers coming. If the Board goes with the option one format, five hour meetings would continue. The ability to step away, but retain the power of input and final decision, would be the ultimate goal.

Board Member Freeman agreed the best solution would be a combination of both. He feels there would be many good candidates from Utah. Perhaps costs could be cut by sharing tasks as opposed to having Mercer do everything. Kerri Nakamura commented it wouldn't be wise to make it about the money. While the costs for Mercer would be more, they recognize constraints a smaller league might have. Trying to cut the price could detract from the quality of their services. She recommends sending them the entire packet. (See attached) This is what was sent to the Board. Have a long discussion letting them know of the aspects the Board would like to integrate into their process. Reiterate the Board would like to be much more involved than initially talked about. Ask for a new draft to get a hybrid.

Board Member Caldwell moved to approve Option 2 with some of the layers from Option 1 added in to make a hybrid plan, giving the Executive Board the opportunity to make things clear and blast out an amended process. The motion was seconded by Board Member Pike.

President Hiatt feels a good hybrid plan can be drafted between Mercer and the League.

Board Member Pace expressed his concern that the greatest risk is a loss of confidence among the members. They need to believe they are in good hands with the League. While he recognizes interest in getting input from all cities, he feels it is the largest members who are concerned they only get one voice even though they are contributing much more in dues. He feels the larger cities need a larger voice.

President Hiatt commented there is a need for a First Class City on the Board. They are trying to provide opportunities for communities to have a voice. A change could be made to add a mandatory Board position from every class, with perhaps two people from First Class Cities on the Search Committee. The Executive Board could make those appointments, sending out an e-mail soliciting interest, ensuring representation across the state geographically as well as city size.

Concern was expressed about any required to put this out to Bid. David Church stated the policy allows for hire of groups without going out to bid.

Board Member Caldwell commented on the need to publically thank Roger Tew for all that he has done.

A motion has been made to move forward with the agreement with Mercer, to include an agreement ensuring their understanding they are acting as facilitator, not as driver. The League creates a search committee and communicates concerns of the Board.

A vote was called. The vote was unanimous. The motion carried.

Board Member Taylor moved to grant the Executive Board power to compose the Selection Committee as proposed, with modifications for additional representation from larger cities. The motion was seconded by Board Member Sakrison. The vote was unanimous. The motion carried. Taylor/Sakrison

The motion was amended to include the Interim Treasurer on the Search Committee. The vote was unanimous. The motion carried.

MIDYEAR CONFERENCE PREVIEW & CONFERENCE APP

Susan Wood and Nick Jarvis presented Conference-at-a-Glance, the App Download Handout, and the 2017 Midyear Update. Surveys have been completed and this year's conference has been made family friendly. There will be a Family Fun Fair with face painting and balloon sculpting. There will also be dinner and entertainment Thursday night. Attendance is up this year. 444 people have registered in comparison with 432 last year. This is not taking into account the on-site registrants. There are 70 exhibitors.

Many on the Board have been asked to welcome and introduce presenters. Three presenters still need conveners. Staff has written hand thank you notes to be given to presenters along with a box of chocolates. Nick commented this is the second conference using the Crowd Compass App. Live polling on presentations will be available. The app includes Bios of all speakers, vendor locations, full explanations.

2017 LEGISLATIVE SESSION UPDATE

Cameron Diehl, Roger Tew, and Brandon Smith updated the Board on the 2017 Legislative Session. Cameron reported it was a tough, but successful, session with a record number of bills opened. 815 bills were considered with 283 affecting local government. Cameron has written a memo with both a summary of the major issues and a "where do we go from here" section. In the General Session, Cameron will explain the key bills and will also talk about them in some of the workshops. A cheat sheet will be available on the League website identifying each bill passed. Last year the final write-up was over 300 pages long. It takes us awhile to complete, but is very useful. The cheat sheet will be available on the website to share with city staff regarding issues that require action of local government.

CLOSED SESSION

A closed session was called as per Utah Code 52-4-205.

Board Member Freeman moved to go into a closed session for the purpose of discussing the character, professional competence, or physical or mental health of an individual as per Utah Code 52-4-205(a), and pending or reasonably imminent litigation, as per Utah Code 52-4-205(c). The motion was seconded by Board Member Freeman. A roll call vote was taken. Voting Aye: Board Members Hiatt, Holbrook, Pike, Pace, Cronin, Baker, Beerman, Caldwell, Freeman, Mendenhall, Sakrison, Potter, Stevenson, Ludvigson, and Taylor. The motion carried.

Board Member Stevenson moved to adjourn the closed session and re-open the Board of Directors Meeting. The motion was seconded by Board Member Cronin. The vote was unanimous. The motion carried.

STATUS OF UTAH MUNICIPAL FINANCE COOPERATIVE II TRUST AND CONSIDERATION OF RECEIPT AND RELEASE AGREEMENT

David Church, ULCT legal counsel, reviewed the status of the Utah Municipal Finance Cooperative II Trust and Consideration of Receipt and Release Agreement.

The agreement was presented with two modifications. One to fill in the dollar amount in paragraph 4-b with an additional insertion that claims made against the Trust in excess of \$75,000 or beyond a six month window remain the obligation of the Trust or Trustees and not be the obligation of the League.

Board Member Pace moved to approve the Receipt and Release Agreement with the amendment as shown in the attachment. The motion was seconded by Board Member Caldwell. The vote was unanimous. The motion carried.

OTHER BUSINESS

No other business was discussed.

ADJOURN

There being no further discussion, Board Member Cronin moved the meeting adjourn. The motion was seconded by Board Member Holbrook. The vote was unanimous. The motion carried.