

UTAH LEAGUE OF CITIES AND TOWNS  
BOARD OF DIRECTORS MEETING  
THOMAS MONSON CENTER, 411 EAST SOUTH TEMPLE, SALT LAKE CITY UT 84111  
FRIDAY OCTOBER 7, 2016

CONDUCTING: Mayor Steve Hiatt, ULCT President

EXECUTIVE BOARD

Mayor Steve Hiatt, Kaysville	President
Council Member Beth Holbrook, Bountiful	First Vice President
Mayor Jon Pike, St. George	Second Vice President
Mayor JoAnn Seghini, Midvale City	Treasurer
Council Member Lynn Pace, Holladay	Past President

BOARD OF DIRECTORS

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

EX-OFFICIO MEMBERS

Matt Dixon, South Ogden	President UCMA
Fionnuala Kofoed, Eagle Mountain City	Past President UMCA

ULCT STAFF

Kenneth Bullock	Executive Director
David Church	General Counsel
Cameron Diehl	Director of Legislative Affairs
Lori Dudley	Financial Oversight Consultant
Jodi Hoffman	Land Use Policy Attorney
Nick Jarvis	Dir. of Research & Technology
Peter Lara	Digital Media Producer
Kerri Nakamura	Chief Financial Officer

Krysten Olson  
Meg Ryan  
Brandon Smith  
Roger Tew  
Susan Wood

Administrative Assistant  
Planning Consultant  
Legislative Research Analyst  
Senior Policy Analyst  
Director of Communications  
& Training

**1. Welcome and Call to Order**

President Hiatt called the meeting to order at 12:10 PM and welcomed those in attendance.

**2. Review and Approval of Minutes**

Mayor Carmen Freeman moved to approve the September 13, 2016 minutes. Council Member Andy Beerman seconded the motion. The motion passed unanimously.

**3. Welcome of New Board Members**

Mayor Hiatt welcomed the new Board Members and asked everyone in attendance to introduce themselves. Mayor Hiatt stated the League organization has the best of the best and serving on the Board was not just a ceremonial position; he thanked the Board Members for their time and service to the organization. Mayor Hiatt recognized the League staff and expressed his appreciation for the time they put into advocating for various causes on behalf of the League members. He encouraged the Board to reach out to mayors, council members and administrators and let them know that the League will advocate for them as issues arise.

**4. Report from Executive Committee**

Mayor Hiatt reported a staff member alerted Council Member Pace of some questionable credit card charges. Mayor Hiatt, Mayor Curtis, Council Member Pace and Council Member Holbrook met to address the concern and concluded that the issue was worthy of review. Executive Director Ken Bullock reviewed statements over a 12 month period and found that there were several unauthorized charges that amounted to just under \$5,000. The individual who made the charges has since retired and repaid what was owed. Further dialog was held with State Auditor John Dougall who gave some good feedback and was asked to review three additional years of statements to make sure there weren't any additional issues.

**5. Financial Report and Policies & Procedures Update**

A financial report had not been prepared as the individual responsible for preparing it was no longer working for the League. The report will be emailed out to the Board once it has been completed.

Mr. Bullock addressed the proposed Staff Policy and Recommendations and noted that he has already implemented some changes regarding financial policies and procedures; his first priority is to never let a similar situation of unauthorized credit card use happen again. The proposal for numerous reforms will help prevent future problems. Mr. Bullock stated it was humbling to talk about what had happened and the policy, which was extensive, may be a template for other small communities to use to help prevent a similar situation from occurring. Jeremy Walker, Alex Neilson and State Auditor Gary Dougall will meet with League staff to help implement proper policies and procedures.

Mayor Hiatt expressed the need to look back and see where mistakes have been made and to avoid them in the future. The Board needs to carry on the business they were there to do and continue to advocate for the League members. He proposed meeting the first week in December and anticipated that they will have received additional recommendations by that time. It was important that everyone felt comfortable with the direction they were going. Further review may find some unintentional mistakes and it was important to separate those from unauthorized use.

Mayor Hiatt explained that after the misuse of the credit cards had been discovered, Salt Lake Tribune reporter Lee Davidson had pointed out the League was not in compliance with transparency requirements. Moving forward, staff would work with the State Auditor to insure they were in compliance with transparency and the Open and Public Meetings Act.

UCMA President Matt Dixon inquired whether any legal action would be taken regarding the unauthorized credit card use. Mr. Bullock explained that they wanted to get all the facts before taking any further action.

Mayor Brent Taylor said he was unaware of the situation but was impressed with how things were being handled. He appreciated that this was discovered by a staff member and not through an audit. That was encouraging and, in his opinion, showed that the League was a solid organization.

Mayor Freeman asked if the Board should notify League members rather than them finding out through the media or other sources. Discussion ensued regarding the best way to inform League members. The consensus was to distribute an email to all members, within the next week, advising them of the situation. Saying nothing about the situation would give the wrong impression.

## **6. Introduction of New Staff**

Mr. Bullock introduced Kerri Nakamura, the new Chief Financial Officer. He stated Ms. Nakamura's resume spoke for itself and anticipated that she will start work on October 14. Mr. Bullock also introduced Financial Oversight Consultant Lori Dudley. Ms. Dudley was an independent consultant and, according to Mr. Bullock, was a highly qualified individual. Both

women will work with Mr. Bullock for a third party review of their financials and make sure that everything is in compliance.

## **7. ULCT & the Deseret News**

Susan Wood gave an overview of a recent partnership with the Deseret News. The program, envisioned by Mr. Bullock, was intended to promote the League organization. Weekly videos of stories, broken down into 5 categories, will be posted on the League's website and YouTube page. The videos will also appear on Deseret News main website page and will change twice a week. The categories are:

1. How Cities Work
2. Legislative Issues
3. Active Life Styles
4. City Features
5. Economics in Utah

Several videos have already been posted and are receiving a high number of hits. Staff is looking for future stories to highlight; they are scheduled to do a story on the upcoming ribbon cutting for the All Abilities Park in St. George. Mayor Jon Pike commented on the dino-themed park stating they were excited for it to open and loved the idea of highlighting the park through this new partnership. Ms. Wood was scheduled to do another story in Sandy that covered the Shape up Sandy program where residents can walk and talk with doctors and focus on getting healthy. Ms. Wood shared a video from Bountiful that documents a Community Policing program. Local law enforcement schedules community BBQs to help foster better relations with their residents, which helps keep crimes in check. The program was extremely successful and the event was completely booked out for the following year. Council Member Beth Holbrook explained that the program, which started out slow, was financed through the City. Although the program had been initiated by the Bountiful Police Department, residents started approaching them to come to their neighborhoods to do the BBQs. It was a simple yet effective approach to building positive relationships in the community.

Each of the categories would be highlighted in an effort to engage Utah residents and provide access to information about local and state government, how infrastructure works, lifestyles and economics. It was also an opportunity to share what we as government are doing right and learn where we need to improve.

Mr. Bullock noted that the videos have been running on the Deseret News website for three weeks. Ms. Wood had been hired for the purpose of getting the program up and running and it has taken almost five years to get to this point. It has also taken sometime for the partnership to see value in the program. The League will be working throughout the state sharing best practices for everyone to see. The videos have had 1.7M unique URL visitors; a lot of people were viewing the information and it wasn't limited to Utahans. Mr. Bullock believed that the success of local government officials was dependent on citizens understanding the role of

government and how municipalities operated. This was also applicable on a state level. He had full confidence in the project and stated the videos would continually improve.

Salt Lake Tribune President of Digital Media Chris Lee briefly discussed content marketing and explained there have been huge changes in media organizations. The Deseret News has followed suit with several media organizations throughout the country and created what they called "Brand View." It is a way for organizations to have public impact by having paid relationships with the news organization for advertising. It allows organizations to promote their products and services in ways that are more engaging for users, while also fulfilling the advertiser's needs. The majority of web views are on cell phones. Mr. Lee was excited about the recent productions created by the League and the reach they were starting to see. The numbers that have been reported were the tip of the iceberg and didn't take into account the impressions the pieces would get on the newspaper's home page. That number would be in the hundreds of thousands. The Deseret News was honored and excited to be a trusted partner with the League.

Mayor Hiatt said that one way League members can show support for the program and generate more traffic is to link the stories to their municipal websites and share them on Twitter and Facebook.

Brandon Smith stated Friday Facts had a great reach and that staff will start to promote the program with that email blast, identifying the stories in the body of the email and provide a link to the videos at the bottom of the email. Nick Jarvis will Tweet and share Facebook posts with a link to the Deseret News stories.

## **8. Long Term Goas and Priorities**

Mr. Jarvis noted that he had sent an email with an orientation packet for new Board members. The packet included staff and Board Member names, a schedule of events along with the League constitution, bylaws, current policies and procedures and fiscal year budget. Mr. Jarvis reminded everyone that the policies and procedures will be updated to include the policies governing financial procedures discussed earlier in the meeting.

Council Member Pace requested that current contact information be distributed on one page for convenience.

Mayor Hiatt explained one of the responsibilities of the Board was to guide and direct the League. A lot of new information will be presented to the Board during these meetings and they will have many opportunities to discuss things that come up as the Board interacts with the members. He encouraged everyone to reach out to those around them and ask about the direction that they wanted to go in the future and be prepared to discuss priorities and long term goals at the next meeting.

## **9. Other Business**

Mr. Jarvis gave an update on the Gas Tax and said that they had reached a happy medium with everyone involved.

The two major issues were that the hold harmless qualifications were changed, which froze 12 entities as permanently hold harmless, and increased their guaranteed distribution significantly. The hold harmless qualifications have been changed back to that was in place before HB 362 that if they were to receive less than 120% of their 1997 distribution under the 50/50 formula, they would qualify as a hold harmless entity. That change reduced the number down from 12 to 2 hold harmless entities in the state (Garfield and Kane Counties). The payout for hold harmless entities was also changed to be 120% of what they received in 2015, plus the amount of growth in the B&C fund between the last two completed fiscal years. The gas tax increase was roughly a 20% increase which guarantees those two entities, no matter where they fit into the 50/50 distribution, that gas tax increase. For example, in fiscal year 2018 they would receive what they received in 2017, plus the growth between fiscal year 2016 and 2017.

Mr. Bullock added that they would be meeting with the House Caucus and Senate Caucus, both republicans and democrats, to present the latest information. These developments don't indicate that it will be a "soft landing for the counties"; it may not be as easy as they think to get their funds. Mr. Bullock stated one of the comments made during the discussions was that the counties had budgeted for this. Mr. Bullock responded that 245 cities and towns had also budgeted for it. The League would forgo trying to retrieve funds that were lost. In the end, it will be the counties job, not the League's, to resolve the issue and get their funds. There are still some hurdles ahead.

Council Member Pace asked whether the forthcoming distribution represents what was withheld plus the current one. Mr. Jarvis responded that he wasn't sure whether they would be combined. Council Member Pace recommended that notification be sent out indicating that the distribution was not a quarterly one but represents something more than that. Mr. Jarvis stated his understanding was that they would just release the 6<sup>th</sup> distribution to close off the year.

Mayor Hiatt noted that the next meeting was scheduled on December 9, 2016. The meeting location was to be determined but would likely be at noon somewhere in the Salt Lake area.

Mayor Bob Stevenson moved to adjourn the meeting. Council Member Beth Holbrook seconded the motion. The motion passed unanimously.

The meeting adjourned at 11:11 am.