

MINUTES OF THE UTAH LEAGUE OF CITIES & TOWNS
BOARD OF DIRECTORS MEETING
50 SOUTH 600 EAST, SUITE 150
SALT LAKE CITY, UT 84102
JANUARY 18, 2017
9:00 AM

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
Mayor JoAnn Seghini, Treasurer, Midvale
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, participated electronically for part of the meeting
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

EX-OFFICIO MEMBERS

Matt Dixon, South Ogden, Pres. –City Managers
David Church, Legal Counsel
Annette Spendlove, North Ogden City Recorder

ULCT STAFF

Kenneth Bullock, Executive Director (excused for a portion of the meeting)
Cameron Diehl, Director of Legislative Affairs (excused)
Susan Wood, Director of Communications and Training (excused for most of the meeting)
Meg Ryan, Planning Consultant (Excused)
Nick Jarvis, Director of Research and Technology
Peter Lara, Editor/Videographer (Excused)
Roger Tew, Senior Policy Analyst (Excused)
Jodi Hoffman, Land Use Attorney (excused)
Kerri Nakamura, Chief Financial Officer
Abby Bolic (Excused)

OTHERS PRESENT

Lorie Dudley, Outside Auditing Consultant
John Dougall, Utah State Auditor
Van Christensen, Office of the Utah State Auditor
Jeremy Walker, Office of the Utah State Auditor
Michael Michelsen, Eide Bailly
Nick Vadnais, Eide Bailly

1. Welcome and Introductions – Mayor Steve Hiatt, ULCT President

President Steve Hiatt called the meeting to order at 9:07 a.m. and called for introductions.

He stated that on our agenda this morning item #6 referring to the Fiscal Year 2016 External Audit and Financial Statements we have two representatives from Eide Bailly who were planning on giving at least a preliminary review of our audit. We had a conversation with the Utah State Auditor's Office who is also here with us. Eide Bailly can't finalize their audit for us until after the State Auditor's Office is complete and presented to the Utah League of Cities and Towns Board. We will schedule another Board Meeting next month before LPC meeting at the Capitol. This will give us a chance to draft responses to the State Auditor's report which will become public possibly tomorrow or Friday. Council Member Lynn Pace stated, that in the past when we have done something like this, we have received the documents in advance to review, and asked if that will happen? President Hiatt replied that once the State Auditor's report is complete and provided to Eide Bailly and they complete their report then, yes we will make sure that the Board receives it at least a week in advance, so that they have plenty of time to review.

President Hiatt excused the Executive Director, Ken Bullock who is currently on a conference call with Aron Ralston, the keynote speaker for the Local Official Day. Then he will join us once this call is completed.

2. Review and Approval of Minutes - Mayor Steve Hiatt, ULCT President

The Board reviewed the minutes of the December 9, 2016 ULCT Board Meeting. Council Member Pace asked the following corrections be made to the minutes on page 3 item on Legislative Issues Review has Land Use – Jodi Hoffman and that item needs to be moved down and the action item on page 5 concerning the creating of a working group to Legislative Issues needs to be moved up to the correct information.

Mayor Freeman stated that on the bottom of page 5, concerning disclosure of conflict of interest, was to be added to a future agenda and wanted to make certain that the Board is still comfortable with there being an item about this on future agendas.

ACTION: Council Member Lynn Pace moved to approve the minutes of the December 9, 2016 ULCT Board Meeting as amended. The motion was seconded by Mayor Freeman. The motion carried unanimously.

2. Recommended Personnel & Accounting Policies –Ken Bullock, Kerri Nakamura, Lorie Dudley

Kerri Nakamura, Chief Financial Officer, stated that staff took all the changes that were presented at the last meeting and those changes are in blue and underlined if they are additions or there is a strike out if the language is deleted. She believes that she caught everything and all changes are reflected in this set of policies. Nakamura drew the Board's attention to the policy cover letter for

a detailing of changes not included in this set of policies. Specifically, the policies do not include a change of pay date to eliminate current practice of paying on the last day of the pay period, that is something staff will be working on and bring that back to the board for their review and consideration. Changes also do not deal with the classification of employees that you discussed last board meeting. Staff will bring those changes back also. Nakamura stated that as requested by a Board member, she would like the board to comment on a PTO policy rather than vacation and sick leave program. If the Board is amenable, this is something staff will bring back also. Many Cities are doing this and it is something staff would like to work on with Legal Counsel Dave Church and the HR Representative. Lastly, Council Member Pace had suggested the cellular phone and data reimbursement schedule. Finance Officer Nakamura stated that she believes she got the policy language correct, but did not have the schedule yet. Council Member Pace concurred and requested that the Board see the proposed schedule.

Mayor Freeman stated that on page 6 under Publicity the last sentence the word is should be in. On page 11 second paragraph under Evaluations the last sentence; add the words “in June.” On page 12 the first paragraph last two words need a space between them. On page 16 under Jury Duty first paragraph last two words add a space between them. Mayor Freeman had a question on page 24 under Credit Card second paragraph, where it is talking about unauthorized use, do we need something about who that needs to be reported to and should that include the Board President. Finance Officer Nakamura suggested that it go through the current management structure. The Executive Director will no longer have a credit card and this person will be supervising all of staff that have a credit card and will be the one picking up all the unauthorized use. As it is right now, we will have one staff member who has a credit card and that will be Abby who is our Operations Coordinator. If Abby has unauthorized use that should be picked up either by the CFO, Executive Director, Board Treasurer, or Lorie Dudley, Financial Oversight Consultant. President Hiatt suggested adding a last sentence that says, at a minimum makes the Board President aware or notified of any unauthorized purchases.

Mayor Freeman asked for clarity on page 31 under Notice Inviting Bids add of between Notice and inviting and further in that paragraph same thing for opening bids separate the two words.

Council Member Pace questioned page 35 concerning duties under Executive Director item #6 it has them meeting every two months and suggested monthly reviews of the Chief Financial Officer, ULCT Treasurer, and Financial Oversight Consultant.

Chief Financial Officer Nakamura suggested that is reasonable

Council Member Pace asked the Board if they want more than one set of eyes, do you want the Executive Board to see this or a smaller committee. He recommended that all four executive committee members review in all three areas; performance review, conflict of interest report, and, report of outside employment. Also, the financial review needs to be done by the Board Treasurer and done monthly.

Finance Officer Nakamura reviewed the current process and checks for reimbursement. Executive Director signs off on all reimbursements now and for the Executive Director’s reimbursements will fill out a business expense form and they are signed off by the Treasurer. When we are ready to sign checks the Treasurer has those forms and knows what the expense reimbursements were for.

President Hiatt replied that he agrees with what Council Member Pace is saying

Intent to adopt recommendations that we have Council Member Pace work with Finance Officer Nakamura recommends adopting with Mayor Freeman's tweaks. Recommend the adoption of the amended policies now and next month when we meet we will probably have some more changes.

Council Member Pace stated that on page 15 under Retirement section we inserted the word matching before the word 401(k) does that mean the League is matching the employees 401(k). Finance Officer Nakamura replied that is what is in the cost documents under the retirement program that the employee is required to do a match. Council Member Pace replied, and then leave it, if that is what is intended.

Mayor Freeman asked for clarity on the amount of the match. Finance Officer Nakamura replied that there is 1.65% for employee contribution and 3.35% league contribution for a total of 5% with a vesting period of 3 complete years. This is the way the trust document was written years ago. If an employee left after 1 year they would only get 25% of the leagues portion, if after 2 years 50% of leagues portion, and after 3years 100% of leagues portion.

ACTION: Council Member Beth Holbrook moved to approve the Personnel & Accounting Policies & Board Responsibilities as amended. The motion was seconded by Council Member Bob Stevenson. The motion carried unanimously

3. FY 2017 Financial Report – Kerri Nakamura, Lorie Dudley

Finance Officer Nakamura presented the report that covers the period July 1- September 30, 2016. Overall, by the end of the first quarter the ULCT collected 62% of all revenue budgeted for the year. Fifty percent of ULCT annual budgeted revenue derives from Membership Dues. Membership dues were 99% collected by the end of the first quarter. It is important to note that in late December, the ULCT staff invoiced \$165,000.00 in donations. Since sending invoices, the ULCT has received \$115,000.00 that was received after the first quarter closed but will be reflected in the second quarter report. Expenditures overall, actual ULCT FY2017 are 27% of budget for the year. It is also important to note that FY 2017 first quarter are 12% lower than expenditures for the same period in FY 2016. Expenditures for Personnel Services account for 30% of overall ULCT spending. First quarter expenditures in this category are 23% of budget. Charges for services is 29% expended by the end of the first quarter Spending in this category will exceed budgeted levels, largely due to unplanned expenditures for accounting fees. Later in the fiscal year, staff will propose a budget amendment to ensure that expenditures in this category do not exceed budget for the year. As the Board has been notified previously, staff is watching FY 2017 expenditures very closely so that savings can be found within the budget to offset unplanned expenditures for accounting expenses.

ACTION: Mayor Jon Pike moved to approve the 2017 Q1 Financial Report. The motion was seconded by Mayor Taylor. The motion carried unanimously

Chief Financial Officer stated that none of this would have happened without Lorie.

4. Local Officials Day – Ken Bullock, Susan Wood

Susan Wood, Director of Communications and Training reviewed what was taking place on Local Officials Day. The first part of the day will be at the State Capitol and the Museum to the west of the Capitol. The youth will participate in a debate about mandatory drug testing in high school. At 10:45am they will arrive at the Salt Palace for snacks and networking. They will then make their way to hear speaker Derreck Kayongo. Director Wood stated that she will need help to point the Youth in the right direction. She continued by stating that tables for lunch will be numbered to make it convenient when telling your legislator which table you are at.

Chief Finance Officer Nakamura stated that staff has done a great job in planning and preparing. She reminded the Board Members that this year there will not be validated parking, it is all self-pay.

Council Member Pace stated that he is worried about youth and legislators parking and getting to the Salt Palace. Director Wood replied that there would be two LeBuses for the Legislators to bring them from the Capital to the luncheon and Finance Officer Nakamura has arranged this with Salt Lake City who will cover a few parking meters around the Salt Palace for the buses to park.

5. Closed Session

President Hiatt called for a closed meeting to discuss §52-4-205(1)(a) regarding the character, professional competence, or physical or mental health of an individual and those in attendance will be board members only. No staff unless called in or Ex-Officio Members. Representatives of the State Auditor's office and Chief Financial Officer Kerri Nakamura as needed. Also present would be David Church, ULCT Legal Counsel and Executive Director as needed.

ACTION: Council Member Pace moved to Convene in a closed session for the purpose of §52-4-205(1) (a) regarding the character, professional competence, or physical or mental health of an individual. The motion was seconded by Council Member Beth Holbrook. The motion carried by roll call vote. The following were present in the closed meeting:

Mayor Steve Hiatt, President, Kaysville
Council Member Beth Holbrook, 1st Vice President, Bountiful
Mayor Jon Pike, 2nd Vice President, St. George
Mayor JoAnn Seghini, Treasurer, Midvale - arrived at 12:45pm stayed 60 minutes
and resigned her position as Treasurer
Council Member Lynn Pace, Past President, City of Holladay
Mayor Karen Cronin, Perry
Mayor Dean Baker, Naples
Council Member Andy Beerman, Park City
Mayor Mike Caldwell, Ogden City
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

RECESSED AT 9:45am

RECONVENED AT 3:49pm

8. Other Business

President Hiatt state that both Executive Director Bullock and Mayor JoAnn Seghini, Board Treasurer tendered their resignations effective immediately. The Executive Board will appoint a temporary Director and Mayor Freeman was appointed interim Treasurer until these position are filled.

9. Adjourn

ACTION: Mayor Carmen Freeman moved to adjourn. The motion was seconded by Mayor Mike Caldwell. The motion carried unanimously.

Meeting Adjourned at 3:50pm