

MINUTES OF THE UTAH LEAGUE OF CITIES & TOWNS
BOARD OF DIRECTORS MEETING
ULCT OFFICES, 50 SOUTH 600 EAST, SUITE 150, SALT LAKE CITY, UT 84102
MAY 15, 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 - EXCUSED
Mayor Jon Pike, 2nd Vice President, St. George
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 - EXCUSED
Mayor Ted Eyre, Murray City
Mayor Carmen Freeman, Herriman, Interim Treasurer
Council Member Mike Mendenhall, Spanish Fork
Mayor Dave Sakrison, Moab
Council Member Kelleen Potter, Heber
Mayor Bob Stevenson, Layton
Council Member Curtis Ludvigson, Sterling - EXCUSED
Mayor Brent Taylor, North Ogden

EX-OFFICIO MEMBERS

David Church, Legal Counsel
Teresa Harris, Logan City Recorder, UMCA VP
Matt Dixon, South Ogden Manager, UCMA

ULCT STAFF

Abby Bolic, Operations Coordinator
Cameron Diehl, Director of Government Relations
Nick Jarvis, Chief Operating Officer
Kerri Nakamura, Former Chief Financial Officer
Meg Ryan, Manager – Land Use Academy of Utah
Dave Sanderson, Chief Financial Officer
Brandon Smith, Legislative Research Analyst
Roger Tew, Interim Executive Director
Susan Wood, Director of Communications and Training

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

President Steve Hiatt called the meeting to order at 12:08 pm and called for introductions.

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

The Board reviewed the minutes of the April 5, 2017 ULCT Board Meeting.

ACTION: Council Member Pace moved to approve the minutes of the April 5, 2017 ULCT Board Meeting as presented. The motion was seconded by Mayor Pike. The motion carried unanimously.

3. Conflict of Interest Disclosure for Board Members – Mayor Steve Hiatt, ULCT President

There were no Conflict of Interest items brought forward.

4. ULCT Board & Commission Reports – Mayor Steve Hiatt, ULCT President

Cameron Diehl said that he represented the League in an ex-officio manner on the Joint Highway Committee. The League has 16 appointments on this committee. They meet twice over the course of the year for the main reason of allocating federal funds to roads and streets of both counties and cities in rural Utah. At the last meeting, UDOT brought for review potential changes to the rules governing the Class B & C road accounts. The State Auditor's Office recommended language that would have codified what the State Auditor wanted to see from their reporting perspective. Mr. Diehl and Brian Bremner of Garfield County, pushed backed on UDOT and recommended striking language in the proposed rule. UDOT indicated they would take these recommendations back to other stakeholders, including the State Auditor's Office, and then bring back another recommendation at the joint meeting in September.

5. ULCT Board & Commission Appointments – Roger Tew, Interim Executive Director

Interim Director Tew stated that he sent out a memo to all ULCT Board Members regarding the ULCT Board and Commission Appointments. He said the Board of Directors' policy on boards and commission indicate that the Executive Director is to make recommendations for membership on various boards and commissions that require appointments from the Utah League of Cities and Towns. The Executive Director's actions are then subject to ratification by the Board of Directors.

Transportation Governance and Funding Task Force – This Task Force, established during the 2017 General Session, authorized the Utah League of Cities and Towns to make a single appointment to this body. The scope of study is very broad and includes not only roads and highways, but mass transit and notably airports. For the record, the ULCT sought to amend the legislation to allow for more than one appointment from Utah cities. The League was not successful in that endeavor. However, it is fortunate that we do have other city officials that have been asked to participate by appointment from other organizations.

The Mayor of Salt Lake City, the Honorable Jackie Biskupski, has actively expressed interest in participating on this Task Force. Salt Lake City incorporates virtually all the study elements

outlined in the legislation. Mr. Tew recommended to the ULCT Board that Mayor Biskupski's be appointed to the Transportation Governance and Funding Task Force.

He stated that it is somewhat unusual to have the mayor of Utah's largest city agree to personally participate on such a study effort. In fact, to his knowledge the ULCT has not appointed the Salt Lake City Mayor personally to any such boards, commissions or task forces for many years. Mayor Biskupski has assured him that she appreciates that this appointment will require her personal involvement and has committed to do so.

Utah State Retirement Board's Membership Council – The Utah State Retirement Board's Membership Council makes recommendations to the governing board of the Retirement System and to the Utah State Legislature regarding benefits and policies for various state retirement systems. For the past 16 years, Tom Hardy, the former City Manager of Bountiful, has served in this capacity. Mr. Hardy's term ends on June 30 of this year. In addition, Mr. Hardy has retired from his position with municipal government. Mr. Tew stated that we owe him a debt of gratitude for his years of service.

Mr. Tew discussed with Mr. Hardy the background for a new appointment. Some knowledge of retirement policies and public finance were credentials that were emphasized. One name regularly mentioned was that of Scott Bond who, currently serves as the Chief's Administrative Officer for Sandy City. Scott has a wealth of experience with municipal finance issues and an understanding of retirement policy issues. Tom Hardy also strongly recommended Scott. Mr. Tew proposed Scott Bond be appointed to the Retirement Board Membership Council. Scott is willing to serve in this capacity and has the support of Mayor Dolan.

Quality Growth Commission – The ULCT has three appointments to the Quality Growth Commission. It should be noted that in this case the UCLT is recommending names to the Governor who is the actual appointing authority. The appointments are four year terms subject to a two-term limit. The current appointees are the following:

Steve Pruden – Tooele City Council Member – First term has expired

Jack Thomas – Mayor of Park City – First term expired September 2016

Erin Mendenhall – Salt Lake City Council Member – First term expired April 2017

All three appointees have only served one official term and would like to continue to participate for an additional term. Since they are eligible for an additional term, Mr. Tew recommended that all three be appointed for a final term.

Utah Communications Authority – This body was established during the recently completed 2017 legislative session. Its purpose is to be an advisory body on emergency communication policies established by the legislation. The legislation also establishes various criterion that the nominees must possess. Any nominations must have a background in at least one of these areas: law enforcement/public safety, fire service, telecommunications, management and government. In addition, any telecommunication vendors or users of the current Utah Communications Systems may not serve.

The ULCT is authorized to recommend two names to the Governor for appointment by the Governor. Governor Herbert has asked that the ULCT submit four names from which he may pick two.

Mr. Tew recommended that the following names be submitted to the Governor:

Paul Morris – Former West Valley City Attorney and noted telecommunications expert

Terry Keefe, Former Layton City Police Chief

John Park – Current City Manager of Cottonwood Heights

Gary Whatcott – City Manager of South Jordan

Former Senator Steve Urquhart

The Governor will make the actual selection (subject to Senate confirmation) and his office has asked that the League not run interference with the five candidates. These proposed names have not yet been asked if they would be willing to serve. If the Board decides these names can be submitted then Mr. Tew indicated he will contact them and let them know their names will be recommended to the Governor and only two will be selected.

Governor's Rural Development Partnership Board – This board provides input on rural development issues to the Governor and the Utah Legislature. The governing statute requires the Utah League of Cities and Towns appoint one of its Board members who is a “rural member” to this body. There is no guidance given about what constitutes a “rural member”. The last appointment was Gil Miller from Bear River City but this was some time ago. Given that this appointment must be from the UCLT itself, Mr. Tew believes that his involvement is not particularly appropriate. He asked that the decision of who serves on the Governor's Rural Development Partnership Board be left to the ULCT Board of Directors and its leadership.

Mr. Diehl stated the qualifications to serve on this board are undefined and it's unclear on whether the person serving has to remain on the ULCT Board of Directors throughout the term of the Rural Development Partnership Board. He said more board appointments will come before the ULCT Board in June.

Mayor Cronin of Perry said she would be interest in serving on this board.

Mayor Baker of Naples said he too would be interested in serving.

Mayor Hiatt said he would like to have more guidance of who can serve on this board before a name is brought forward.

ACTION: Mayor Pike moved to adopt a motion ratifying the Board and Commission Appointments as presented. The motion was seconded by Mayor Taylor. The motion carried unanimously.

6. Personnel Update – Roger Tew, Interim Executive Director

Mr. Tew announced there have been two significant personnel changes in the staff at ULCT. Kerri Nakamura is taking a position with the State of Utah as the Deputy Director of Heritage and Arts. Ms. Nakamura's responsibilities will now go to Nick Jarvis who's title will now be Chief Operating Officer. Data input will go to Operations Coordinator Abby Bolic. The duties of the Chief Financial officer will be outsourced to Dave Sanderson with DS Accounting Services.

Mr. Tew also announced that Jodi Hoffman who is currently the ULCT Land Use Attorney will now concentrate on her private practice and effective this month she will no longer work for the ULCT. He said regarding contract appointments at the ULCT, his personal view and a concern he has is that Ken Bullock had a way of turning the ULCT employee contracts not into project based assignments but to almost personal services arrangements with the ULCT. His feeling is that contracts need to be a lot more project based, have periodic review and have contracts.

Ms. Nakamura stated the League needs to make sure that the 1099's really are contractual positions and not employees "masquerading" as a contract.

Mr. Jarvis stated his background is public administration. He has an MPA from the University of Utah and a lot of what he studied was Human Resource, personnel management and organizational theory. He looks forward to his new role at the League.

Mayor Hiatt stated that Ms. Nakamura will help with the transition and has officially started her new position with the State of Utah.

7. ULCT Conferences (Midyear, Road School, Annual) – Roger Tew, Susan Wood and Nick Jarvis

Mr. Tew stated the Midyear Conference was very successful and conference and feedback was very positive. He reported the ULCT made approximately \$40,000, revenues over expenses. The League had more sponsors this year and we kept the costs down.

Susan Wood said a survey went out regarding the Midyear Conference, 69 responded and 93% rated the overall conference good to excellent.

Mr. Jarvis reported that he rearranged the exhibitors and invoiced everyone. Online registration for exhibitors was on a first come first serve basis and it worked well.

Mr. Tew proposed a slight change regarding the Midyear Conference. The League has reached out over the past five months to repair their relationship with the Utah Association of Counties (UAC). It was suggested that for the April meeting, UAC partner with ULCT in St. George and have a joint conference. They would have the first two days, one day of overlapping and then the ULCT would have their conference. The advantage is there are a lot of shared things that the two groups do together. If we move this direction, we will need to reserve the entire Dixie Center and would need to move the date to April 25-27 or April 24-27, Mr. Tew feels this is worth pursuing. UAC is a smaller group and have 250 elected officials and 90% of their vendors and exhibitors also attend the ULCT Conference.

Mr. Diehl said that UAC has already gone to their board and they are very excited about holding a joint conference.

Mr. Tew said regarding the ULCT Road School, it originally started 30 years ago as a County event. UDOT runs their own training program and now the Road School is a ULCT tradition. The challenge is in the last 10 years there are several other private training programs that are being held as well as the ULCT Road School. The feedback the League has received from vendors and others is that changes need to be made in regards to the Road School. He asked the board if they want to continue with Road School? April is a very busy month with the ULCT Conference and Road School. He feels things have changed and we need to look at this differently. He asked is this in the mission of the League and if we continue, we will need to make significant changes to improve Road School. He feels the general consensus of staff is that eventually the Road School will go away. We also need to let the Dixie Center know as soon as possible.

Ms. Nakamura said the exhibits at Road School did not sell out this year and others cancelled.

Ms. Wood said other companies are competing with Road School, attendance is stagnant and vendor participation is declining.

Mr. Diehl added that the vast majority of the ULCT sponsors do not participate in Road School. He said there is also a concern about government competing with the private sector.

Ms. Nakamura said the biggest complaint from vendors is that the golf tournament was canceled. There were 300 attendees at Road School this year and 37 workshops offered over three days. Road School made about \$25,000 and in the past we have made more money. She said the trajectory is down and several vendors have said they will not participate in the future.

Mr. Diehl said attendees at Road School along the Wasatch Front made up about 40%, most came from the Washington County. We maybe need to reengage with UAC in regards to Road School.

Mayor Hiatt said the perception among member cities is the League is making adjustments with staff, possibly joining with UAC and then if we get cancel Road School, he is concerned that cities will have the perception that the League is making too many changes and that could possibly affect the cities that are currently paying membership dues. He does not want the perception that the ULCT is “getting out” of everything and maybe the message we need to send is we are “partnering” and making improvements.

Mr. Tew said we were not given a hard deadline by the Dixie Center on Road School but, we need to let them know as soon as possible. Road School can still be held next year and reevaluated at that time as to its future.

Mayor Baker said Naples sends a road crew to Road School. He suggested that we have more classes during the ULCT Midyear Conference focused on roads.

Council Member Pace said he would like to talk with those who have attended Road School and get suggestions from them on its future. Those who attend are from public works, road crews and not city managers, mayors, or elected officials. We should ask what attendees would like to see in the future.

Mayor Freeman said he is inclined to keep things the way they are now in regards to the League sponsored conferences.

Ms. Nakamura said she is concerned that the League will lose money at next year's Road School. If we continue doing Road School we should combine with the Counties and rethink the way the school is done.

Mayor Pace said we need to send a reassuring message to the membership that the League is in good hands. He feels an improvement in the way conferences are done will go a long way.

Mayor Hiatt said that we should also give the yet to be determined new ULCT Executive Director an opportunity to weigh in on the future of some of these suggested changes.

Mr. Tew suggested the League move forward and combined with UAC in April 2018. The issue of Road School will be discussed again in 2018.

The Board recessed at 1:20 p.m. for lunch.

Part 2 of Recording – The Board reconvened at 1:42 p.m.

Mr. Tew said those who attend Road School are different from those who attend the Midyear ULCT Conference so he doesn't feel that combining them will work. The vendors who participate will also be different at each conference.

Ms. Nakamura said we would not be able to have the equipment vendors participate at the Midyear Conference due to limited space at the Dixie Center.

ACTION: Mayor Pike moved that in 2018 the ULCT Conference be moved to April 24-27 and combine with UAC. That Road School be held in 2018 and survey those involved (attendees and vendors) as to their suggestions on the future of the School. Also, revisit a discussion regarding Road School with the new ULCT Executive Director. The motion was seconded by Mayor Cronin. The motion carried unanimously.

8. FY 2017 Q3 Financial Report – Mayor Carmen Freeman, Interim Treasurer & Kerri Nakamura

Mayor Freeman reported on the FY 2016-2017 Quarterly Budget Report (July-March). The ULCT's miscellaneous line item is budgeted at \$1,500. As reported in Q2, this category is overspent as a result of \$11,658 in bad debt for invoices not collected and not closed out in previous years and \$8,742.74 in unbudgeted bank and credit card fees (includes transaction processing fees).

While the ULCT budget remains sound and stable, ULCT staff needs to remain vigilant in managing expenses so that we can more easily absorb the unanticipated expenditures. Staff is also working to ensure that all revenue due to the ULCT for 2016-2017 for conferences is invoiced and collected prior to year-end. The staff also continues to be proactive regarding collection of general and program-specific donations and sponsorships. At the end of Q3, the ULCT has \$44,500 in pledged 2016-2017 sponsorship revenue that has not been received. All invoices have been sent and staff will work diligently to encourage payment prior to year-end. Finally, staff will continue to monitor expenditures so that savings can be identified.

Mayor Freeman said in the search for a new director, the Board may need to consider making budget amendments in regards to cost.

ACTION: Mayor Stevenson moved to approve the FY 2017 Q3 Financial Report as presented. The motion was seconded by Council Member Beerman. The motion carried unanimously.

9. 2017-2018 Tentative Budget – Roger Tew, Kerri Nakamura, Nick Jarvis

Mr. Jarvis reported that the tentative budget for 2017-2018 was sent out to the Board. Overall, total revenue for 2017-2018 is proposed to increase 1% from the 2016-2017 level. However, general revenue is projected to increase 8%, while grant and special project revenue is projected to decrease 25%. This is largely the result of the ULCT staff proposal to eliminate revenue and related expense lines for special projects that have not been active for years. A line for credit card charges has been added and it can now be tracked. The Board's direction regarding 2017-2018 dues will be the cornerstone of the 2017-2018 budget proposal. At the April 5, 2017 Board meeting, the Board directed staff to hold the dues formula rates flat, thereby using the same rates as 2016-2017. The formula is designed to annually produce between 3-4% newer revenue to allow the ULCT to fund compensation adjustments and respond to inflationary demands. For 2017-2018, the Board noted that new revenue, derived from Utah's newest municipalities (Millcreek, Interlaken and Dutch John) will result in approximately \$37,000 in additional revenue.

Council Member Pace asked how much is the League's overall budget changing from one year to the next.

Mr. Jarvis responded between 3-4%.

Council Member Pace said he has been an outspoken advocate for the League in Holladay. Elected officials in his community are asking about League fees and are wondering if they should take a year off until things settle down at the League. He wonders if other cities are having the same thoughts. He does not want for a City to be frustrated with an increase in dues and with changes at the League.

Mr. Jarvis said the three components with the due systems is something that was determined by the Board and that might need to be changed.

Mayor Freeman asked how do we treat the townships.

Mr. Jarvis responded that townships are not in the dues formula and the League would have to change the bylaws in order to include them.

Mr. Jarvis said the largest proposal in the budget is \$160,000 for a capital project to remodel and modernize the ULCT's offices.

Mr. Tew added that in addition to modernizing space, the HVAC system needs to be made more efficient and the ULCT would like to create a Board room/conference space that is ADA compliant. Finally, staff proposed to cancel the lease for the upstairs area, add an interior stairway to connect the offices, and expand the ULCT office to the upstairs area, thereby eliminating the need for staff to double up in small office spaces and/or share office spaces with copy machines, shared printers, etc. With the changes, the ULCT can likely utilize more of the basement space for storage and, thereby, eliminate a \$2,400 annual fee paid to an offsite storage facility. To accomplish this capital project, the ULCT anticipates leasing space in the south side of the building for approximately 9-12 months. Once the project is complete, the ULCT will no longer be required to pay \$3,700 per year in property taxes because we will not be leasing space to for-profit entities.

Mr. Jarvis said the ULCT Board should adopt this tentative budget and schedule a public hearing for Monday, June 19, 2017 at 9:00 a.m. The Board should also schedule a public hearing for 2016-2017 budget amendment for Monday, June 19, 2017 at 9:00 a.m. There is also a Legislative Policy Committee Meeting scheduled at noon on June 19, 2017.

Ms. Nakamura clarified that the purpose of the budget amendment is to bring the Co-op Funds into the current year revenue.

ACTION: Mayor Stevenson moved to adopt the 2017-2018 Tentative Budget as presented. The motion was seconded by Mayor Baker. The motion carried unanimously.

ACTION: Mayor Cronin moved to schedule a public hearing for Monday, June 19, 2017 at 9:00 a.m. and a public hearing for 2016-2017 budget amendment for Monday, June 19, 2017 also at 9:00 a.m. as presented. The motion was seconded by Mayor Baker. The motion carried unanimously.

10. Report on Executive Director Hiring Process – Mayor Steve Hiatt

Mayor Hiatt reported that the Mercer Group has been retained and the search committee met and talked about what they would like to see in a new Executive Director. Applications are due July 2 and 20 people have already applied. The process and who applies is confidential and the Board will eventually know who the applicants are. Ken Bullock's salary was \$140,000 plus with other contributions, vehicle allowance, etc the total amount was \$190,000. The base salary for the new director will be \$150,000 and the question is will that be a salary that will attract the right person. The search committee will meet in July to go over the applications and will narrow it down to the top 10-12 people. Interviews will be held in August and they hope to bring names to the Board in late August and have someone in place by the September Conference. Mr. Tew will continue to

serve as the Interim Executive Director during this time. All coordination will be done through the Mercer Group and those interested in applying is done through them.

11. Legislative Policy & Direction – Mayor Steve Hiatt, Cameron Diehl

Mr. Diehl said that he and Mayor Hiatt discussed the tax on local authority. He showed a power point presentation regarding Legislative Policy and Direction. He said that 2017 is a Municipal Election Year and there will be some that will not run for office and others that will. An internal outreach will start the first week of June to find out who intends to run for office. At the midyear conference, an in-person survey was held asking, do you talk to legislators during the session/year? The responses were the following:

Daily – 6%

Weekly – 31%

Rarely – 52%

Never – 11%

63% always or sometimes discuss ULCT Priorities with legislators.

64% always or sometimes use ULCT materials with legislators

83% said “yes” or “maybe” that they would talk to legislators if ULCT provided more materials such as emails, social media tidbits and local meetings.

Mr. Diehl said that State policy trumps local practice (code and law enforcement and land use) and State Priority: Investment of State funds and resources are gaining momentum.

Pressure Point: State Priority. State: Cities can’t handle it alone, State money and better handles at the State level. Cities and Towns: Local needs and impacts and partner with the State. The State priority is the Utah State Prison and there are many jurisdictions involved.

Policy questions to consider in 2017 are the following:

- What is the proper scope of State authority/action?
 - ULCT strongly opposes the “one size fits all” approach to legislation
 - ULCT realizes that “just because you can, does not mean you should”...self evaluate
 - ULCT intends to be a partner with the State on their priorities so long as we preserve our local authority
 - ULCT is cautious about the trend of “government by task force”
- How can local governments become more transparent, efficient, and “business-friendly” without becoming uniform?
- How can the State and local governments collaborate and invest in necessary infrastructure, and prepare for and facilitate Utah’s ongoing population growth?
- What are the benefits, costs, & consequences of the Justice Reinvestment Initiative and other State priorities on local government? What about the enforcement issue?

Legislative Policy Committee – Update bylaws

Body that gives ULCT staff legislative direction.

- 235 voting members average attendance: 130+
- 107 cities and towns – every city/town entitled to 3 voting members

- ULCT-USU partnership for webcasts – 202 people, 53 cities and towns. Hatch to Vernal and Nibley to Ephraim
- Check the roster at www.ulct.org

What we need to do to promote and preserve local authority.

Capacity:

- Encourage more #leaguearmy participation from existing ULCT members
 - United we stand, divided we fall
 - Focus of ULCT conference season
 - Foster allies (UAC, Chamber, etc)
- Self-evaluate and gather data
- Train newly elected officials post November to be #leaguearmy
 - Limited time between November 7 and January 22

Resources:

- Provide materials to #leaguearmy to use with legislators and stakeholders
 - Counter special interest groups
 - Increase understanding of local government authority and responsibility
- Provide tools to #leaguearmy to communicate with public
 - Social media
 - Land Use Academy of Utah

Mr. Diehl suggested that the Board update and modernize the bylaws to highlight the success of the LPC. He feels the LPC has been very successful and the bylaws need to be updated.

Mayor Hiatt said the LPC is valuable and he would like Mr. Diehl to draft amendments to the bylaws. He feels the voice of elected officials helps in the process at the legislature.

Mr. Diehl said the ULCT Board of Directors per the bylaws is responsible to appoint the members on the LPC. Mr. Diehl said he does not remember this every happening in the past. The Board can also get recommendations from the cities.

Mr. Church said it's good to encourage people to come to the Capital and attend the LPC meetings but there needs to be a formal, decision making body and should be people who are willing attend the meetings. There can be an appointed, official committee who votes.

Council Member Beerman said that is where the voting clickers come in because you have your appointed members determined at the start of the session, they sign in and they get a clicker.

Mayor Hiatt asked Mr. Diehl to make amendments to the LPC bylaws and bring them back to the Board for review.

Mr. Church said doing that takes care of the weighted voting issue if the ULCT Board makes the determination as to who gets appointed.

Mr. Tew added that LPC has been a great success and we don't want to discourage participation but we need to have a formalized process.

Mayor Hiatt said a comment made by our community leaders was that the League has a lot of power so long as we can effectively organize and mobilize the issues. Our biggest threat is local authority and we need to be ready for the issues that come forward.

12. Closed Session (if needed) as per Utah Code 52-4-205

No Closed Session was held by the Board.

13. Other Business

No further business was discussed by the Board.

ACTION: Mayor Freeman moved to adjourn the ULCT Board of Directors meeting of May 15, 2017. The motion was seconded by Mayor Stevenson. The motion carried unanimously.