

**MINUTES OF THE UTAH LEAGUE OF CITIES & TOWNS
BOARD OF DIRECTORS MEETING**

UTAH LOCAL GOVERNMENT TRUST, 55 US-89, NORTH SALT LAKE, UT 84054
MONDAY, JUNE 19, 2017
9:00 AM

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

EXECUTIVE BOARD

President, Mayor Steve Hiatt, Kaysville
1st Vice President, Council Member Beth Holbrook, Bountiful
2nd Vice President, Mayor Jon Pike, St. George
Interim Treasurer, Mayor Carmen Freeman, Herriman
Council Member Lynn Pace, Immediate Past President, Holladay

BOARD OF DIRECTORS

Mayor Dean Baker, Naples
Council Member Andy Beerman, Park City
Mayor Mike Caldwell, Ogden City
Mayor Ted Eyre, Murray City (Participated by Telephone)
Council Member Mike Mendenhall, Spanish Fork
Mayor Dave Sakrison, Moab
Mayor Karen Cronin, Perry City
Mayor Brent Taylor, North Ogden

EX-OFFICIO MEMBERS

Leigh Ann Warnock, UMCA
David Church, Legal Counsel

ULCT STAFF

Roger Tew, Interim Executive Director
Cameron Diehl, Director of Government Relations/Attorney
Susan Wood, Director of Communications and Training
Brandon Smith, Legislative Research Analyst
Kari Nakamura, Chief Financial Officer
Nick Jarvis, Chief Operating Officer

OTHERS PRESENT

Steven Hansen, ULGT

WELCOME AND INTRODUCTIONS

ULCT President, Mayor Steve Hiatt, called the meeting to order at 9:06 a.m. President Hiatt asked for introductions of the Board and welcomed Steven Hansen of the Trust.

Mayor Hiatt wished to express his appreciation for the Trust and said their relationship is highly valued by the Board. He also expressed appreciation to all the Board Members and said he looks forward to working together.

PUBLIC HEARING: 2016-2017 BUDGET AMENDMENTS

Mayor Hiatt opened the Public Hearing.

No public comment received.

Board Member Freeman moved to close the Public Hearing regarding the 2016-2017 Budget Amendments. The motion was seconded by Board Member Beerman. The vote was unanimous. The motion carried.

PUBLIC HEARING: 2016-2017 BUDGET

Mayor Hiatt opened the Public Hearing.

No public comment received.

Board Member Freeman moved to close the Public Hearing regarding the 2016-2017 Budget. The motion was seconded by Board Member Cronin. The vote was unanimous. The motion carried.

REVIEW & APPROVAL OF MINUTES

In the section of the minutes which discusses the ULCT Board and Commission Appointments, the “Utah Commission Authority” should be changed to “Utah Communication Authority.”

Board Member Pike moved to approve the minutes with the correction above mentioned. The motion was seconded by Board Member Sakrison. The vote was unanimous. The motion carried.

CONFLICT OF INTEREST DISCLOSURE

Under this heading, Board Members in attendance may disclose any potential conflict of interest with the agenda items. None were declared at this time.

ULCT BOARD & COMMISSION REPORTS

Cameron Diehl presented a Joint Highway Update. He created a write-up, which was included in the packet, summarizing what was discussed in the May meeting. The next meeting is in

September. He met with Linda Hall to discuss progress with the proposed rules and expects to see another draft soon.

ULCT INTERIM TREASURER'S REPORT

Interim Treasurer, Carman Freeman referred the Board to a document in the packet. He thanked Kari and Lori for their hard work, and mentioned they will be transitioning out. Mr. Sanderson is the new CFO, who will now be transitioning into that position.

Board Member Freeman reviewed the Balance Sheet/Income Statement with the Board and commented great care is taken to ensure invoices are approved and properly documented. He reported Road School collected 99% of revenue and donations. The League is 13.5% ahead of previous income. \$40,000 remains to be collected for pledge donations.

Board Member Freeman expressed his appreciation for the ULCT Staff. He has great confidence in them and feels they are moving forward in a good fiscal way representative of what should be done as a Board and a League.

2016-2017 BUDGET AMENDMENTS

Kari Nakamura commented \$120,000 from the Trust Co-op was budgeted. She is concerned with transparency and wondered where to put that money. Nick commented it was received into the checking account, but would be moved to reserves completely out of any operating budgets, and was recognized as a budget amendment. Kari commented when this money was discussed, they moved forward with the Deseret News project. "We were going to be very nervous if that money had not come in, but it did. There is now \$200,652; we expense that as a contribution to the fund balance."

Board Member Freeman wished to make certain funding be identified as it is received for clear transparency and asked that notations be placed in the file to identify funds.

Board Member Caldwell moved to approve the 2016-2017 Budget Amendments. The motion was seconded by Board Member Taylor. The vote was unanimous. The motion carried.

2017-2018 BUDGET

Nick Jarvis reported no changes were made to the tentative budget approved in May. Board Member Freeman questioned why employee benefits were down \$19,000. It was explained Roger Tew's income as Interim Director was placed in a separate column along with Kari Nakamura's,

which is also in that column. The amount did go down, but no benefits were taken away from anyone.

All insurances were moved to the fiscal year. Health insurance will be renewed in July. We are moving to Select Health with Dental from PEHP, and ADD/Life/Vision from the Trust. Those will continue on the calendar year. The 401k accounts used to be separate from URS, but those have been wrapped into the same program, saving money. The renewal amount for this year will be quite a bit cheaper for those participating.

Board Member Pike declared a conflict of interest, in that Select Health is his day job. He reported he has not been involved in any of those changes.

Board Member Pike moved to approve the 2016-2017 Budget. The motion was seconded by Board Member Mendenhall. The vote was unanimous. The motion carried.

CONTRACTS FOR SERCVICES

David Church reported a new contract for Roger Tew must be approved for him to continue to act as Interim Director. After Roger was asked to take over, policies were changed such that these contracts need to be written and approved by the Board because of the amount. A contract was drafted that reflects what Roger and the Executive Committee agreed to and ratified.

For years, Roger has been operating as an independent contractor, with the League being one of his clients. He has his own independent law office with other clients, one of which is UAMPS. He has always disclosed and approved so there was no conflict. When Roger was asked to take this job, he was not going to leave his law practice, and it was agreed to pay him under an independent contract agreement an amount to the equivalent to what Ken was receiving. This contract remains independent in the amount of \$17,000 a month. That does not include what the League would be paying him for lobbying. This is more than a lobbying contract, but not both together. He has been doing both jobs. This contract provides that he remain independent, and can be terminated by either side on 30 days' notice. The contract runs for the higher amount through December, then reverts to the original amount as just a lobbyist through the legislative session. Roger anticipates only one more legislative session with the League. If a new Executive Director is hired before the New Year, and the League wishes Roger to assist him, the League receives 30 days service in the overlap. This contract saves money on what the League was paying Ken in total salary and benefits.

Board Member Freeman asked if this position qualified for a 1099. David replied it does. Roger pays his own expenses, fees, taxes, etc. for his law office. He qualifies as an independent contractor under this contract and may come and go as he pleases with no set office hours. The contract outlines the required duties.

President Hiatt commented that when Roger was called, he wanted to help, but needed to first make sure his other clients would be taken care of. He was willing to come on in Ken's place and President Hiatt said he doesn't feel the League has skipped a beat through all this time of growth and change. He expressed appreciation for all that Roger has done. He has continued his previous lobbyist duties, but the League is only paying for Interim Director responsibilities. He feels that is a pretty good deal for the League.

The contract runs until the end of the year unless he is termed on a 30 day notice. It runs through July and then he is done unless the contract is modified and extends through the end of December, and through June 30th for lobbying purposes. At that time his income would go down to the regular amount. After Spring Conference, Roger will no longer be able to serve as Interim Director.

Board Member Taylor moved to approve the contract with Roger Tew as outlined, to include disclosure of other clients as part of the contract. The motion was seconded by Board Member Beerman. The vote was unanimous. The motion carried.

RECOMMENDED PERSONNEL & ACCOUNTING POLICIES

The ULCT Board has been amending the policies and procedures document since December. Nick Jarvis reviewed the three changes recommended by Staff:

1. Where appropriate, include the title "Chief Operating Officer" alongside the duties and responsibilities of the Chief Financial Officer. This gives flexibility to Nick in performing in-house duties which he has been assigned.
2. Clarification of vacation hours earned based on years of service. Employees will receive five hours per pay period after completing five years of service, at which time they will enter into a new tier. After nine years of service, the final tier will be entered into and employees will receive seven hours per pay period.
3. Amend policy to allow Executive Director to sign contracts for amounts higher than the typical \$25,000 limit for "time-sensitive, event related items/services." This is to allow the Executive Director to book speakers and entertainment for conferences.

President Hiatt explained the recommendation now allows the Director to sign contracts over \$50,000 which is fine for a director if event related budgeted conference items.

Board Member Taylor recommended there always be some form of written approval for those higher amounts in order to tie it back to the Board. President Hiatt agreed and said to add "with written concurrence from League President" to the policy.

Board Member Taylor moved to approve the changes to the Personnel and Accounting Policies with the addition of written confirmation language as stated above. The motion was seconded by Board Member Pike. The vote was unanimous. The motion carried

ULCT BOARD & COMMISSION APPOINTMENTS

Roger Tew referred the Board to the memo included in the packet regarding appointments to the following boards:

Towing Advisory Board

This is a new board created during the last legislative session whose purpose is to advise UDOT, the Department of Public Safety, and the State Tax Commission on issues related to tow trucks and impound yards. It was allocated a couple of seats be filled by the League. Mark Stratford of Ogden and Bryan Jones of Provo have agreed to serve and Roger feels they would be excellent.

Free Market Protection and Privatization Board

This Board has been around for a long time and is focused on making recommendations on potential options for the privatization of government services, as well as dealing with concerns of unfair competition by government. Steve Fairbanks of Sandy is currently serving on the Board and would like to continue by recommendation of the ULCT Board.

Emergency Management and Administration Council

This council deals with incidents around the state showing deficiencies in emergency management. The League has been authorized to appoint two representatives with expertise in emergency management. Dustin Lewis, Assistant City Manager of South Jordan, currently fills one seat and Roger recommended the vacant seat be filled by Hugh Daniels, the Emergency Program Manager for Park City.

Outdoor Recreation Grant Advisory Committee

The committee's role is to accept applications from local governments and non-profit entities and make decisions on which projects will be funded. Roger's recommendation was to submit Cameron Diehl's name to the Executive Director of the Outdoor Recreation Office for appointment to the Committee due to his previous experience and engagement on this issue. He would be a voting member of that Board. Projects were funded in 19 counties. Cameron reported on activities over the last year while on the committee.

Governor's Rural Development Partnership Board

This body provides input on rural development issues to the Governor and the Utah Legislature. Statute requires the ULCT appoint one of the Board Members who is a rural member to this board. Staff's recommendation is to pick a rural Board Member who has been serving the longest, and that would be both Mayor Cronin and Mayor Baker. Mayor Cronin has expressed a desire to serve and would be happy to serve there.

Board Member Taylor moved to approve all recommendations. The motion was seconded by Board Member Beerman. The vote was unanimous. The motion carried.

ULCT BOARD NOMINATIONS

Nick Jarvis reported Staff is beginning the process of soliciting new Board Members. As outlined in the packet, several members going off the Board may run again. Candidates must be an elected member of their city or town in order to serve on the Board. Those candidates who do not win their municipal election must vacate the Board. The Immediate Past President is the exception, but is a non-voting member. Members are needed to fill vacancies from areas 5, 6 and 8 as well as one town. The Board was asked to look for members in those areas.

It was suggested stability be a factor so members are not recycled as often. A bigger problem is members who lose elections on turnover. It was suggested turnover could happen in January in order to see who was reelected, but then the membership would not get a vote. Several experienced Board Members are needed this year and they need to be instated a month before the September conference. President Hiatt expressed concern that a whole new Board may forget the serious issues the Board has dealt with in the last 7-8 months and suggested continuity is important to the Board. The League will have set Board meetings from the beginning of the year. It is also important the new Director understands what it means to report to a Board.

David Church commented the Board could change its constitution to allow non-elected members, but they would become long running, and elected officials might feel pushed aside. That's the tradeoff. Roger reminded the Board people have had to be "strong-armed" to apply in the past. This is no longer a ceremonial Board; it is moving forward in positive way. Some people are going to have to be recruited. It is harder for cities and towns further away to come in once a month for meetings.

Nick reported is has historically been difficult getting representation from areas 5 and 8. It may be a good idea to look more aggressively at electronic meetings. It is a requirement to have one member per area and one town. We are running out towns close enough for members to attend meetings in person.

Cameron explained they try to have half of the Board up for reappointment every two years. On an election year, individuals may lose, and their positions are filled by special appointment. Structural imbalance occurs from time to time.

Board Member Freeman commented he is not running again. He pointed out that Mayor Seghini was not a Board Member, but served as Treasurer. President Hiatt said he will list this as an agenda item for the next meeting. He feels Mayor Freeman is doing great job and would like to see him continue in that capacity. It was asked if the Treasurer must be held by a person in an elected position. The answer was given that the Treasurer must be someone who is appointed as a municipal official within 40 miles of the office. A long-term solution must be found and discussion will continue in August.

ULCT CONFERENCES (ANNUAL AND ROAD SCHOOL)

Susan Wood reported a nice agenda was being put together for the Annual Conference. Governor Herbert will be there, as well as Commander Jim Lovell from Apollo 13. Thursday is Planners and Clerks and Records day. A great band has been scheduled for Friday night's entertainment.

Roger commented there have been some problems with the Sheraton contract; it is very questionable in terms of what the League is receiving. A group management firm was hired to help Susan with hotel reservations. He made a serious recommendation that different arrangements be found. 400-450 people attended the conference in April and 600-700 are expected in September. Staff is looking at alternatives for future conferences.

A reservation was made for the Dixie Center for Road School. A survey was sent to city and town management for those who sent employees to the 2017 Road School. The purpose of the survey was to ascertain the importance of Road School for city and town management, including city managers/administrators and public works department heads. One quarter response was received. There is value in Road School experience for these cities and towns and ULCT is very willing to have this become a partnership with someone else in order to make it something more robust for cities and towns.

LEGISLATIVE POLICY & DIRECTION/ULCT CONSTITUTION & BYLAWS

Cameron reported Staff has been digging back into the ULCT Constitution and Bylaws and how legislative advocacy is approached. He has been asked for feedback about how the League represents members on Capitol Hill. The strength of the League comes from the strength of the membership. Cameron reviewed the suggested constitutional changes to the Constitution and Bylaws.

LPC Bylaws

The Bylaws are currently silent on voting procedures and majority rule/consensus. There are larger cities who participate both with membership that attends, and also the assets they are providing on League-related issues they are bringing to the hill. They bring a lot of firepower to the hill. Larger cities sometimes have the same amount of votes as smaller communities, yet pay more in dues. We would like to make things more equitable. President Hiatt felt the need for enhanced equalization in voting. David Church commented it was originally not city size, but urban rule; 75% from urban and 25% rural.

Because the Bylaws are silent on this topic, part of the reason these numbers occur is because members can get online and vote electronically. It was asked, who, exactly, is voting if there are a number of people in the room watching the broadcast?

The proposed changes represent step one of a multi-step process to bring the Bylaws into consistency with the status quo. We have had success encouraging participation in LPC, and don't want to discourage that. Specific proposals will be presented in the August meeting.

Recommended changes for status quo compliance:

- Remove President appointed members.
- Remove annual ratification.
- Require a majority instead of 75% of the committee from the Wasatch Front.
- At least 45 instead of 60 elected officials.
- Meet at least every other month outside of the legislative session and most weeks during the legislative session.
- The Bylaws are silent as of now regarding every city and town being entitled to 3 voting members plus past presidents and current Board.
- It is also silent for now on majority rule.
- A meeting of the Resolutions Committee may double as an LPC meeting and vice versa.

President Hiatt strongly felt the need to get into compliance. The larger cities are frustrated. Modifications will be made and plans to continue to work on some of those issues. He would like to see it done all at one time and have it done right. Constitutional changes are needed as well.

Constitutional/Bylaws Consideration for Representation

Staff would like to see 50% be elected. Every staff group has their own associations as well. This is the only association for elected officials. Karen Cronin pointed out the perception is out there that everybody's vote counts the same. Smaller cities can't afford lobbyists. Going to a weighted vote sends the perception it's more in favor of bigger cities. Cameron commented big cities make up about 11% of the LPC. They have brainstormed several different scenarios and came up with these suggested changes.

David Church said, as a practical matter, smaller cities and towns are not using their three positions. Of the 150 of those participating, larger cities are 100% attenders during the legislative session and the actual vote is a greater percentage when they show up. Board Member Beerman believed the majority of policy makers should be there making decisions. If we are not hitting that bar, find a way to do that. Board Member Pace, felt the need to have elected officials making the policies, not city staff members. He felt the Majority of the LPC consists of elected officials. President Hiatt asserted the need to police it in some fashion or the whole integrity suffers.

David Church said the Board shouldn't downplay the benefit they are receiving from LPC; it is having membership participation and the League is providing a service even if it's informational. It would be nice if all 700 participated. The majority of LPC should be elected officials. Changes were suggested by President Hiatt. Two out of three need to be elected officials. Discussions are needed before anything is implemented. He would like to continue the discussion in the August meeting.

The Mission Statement and Core Values were reviewed.

Board Member Pace moved to approve the changes to the Bylaws. The motion was seconded by Board Member Pike. The vote was unanimous. The motion carried.

DISCUSSION ON DISSOLUTION OF MUNICIPAL FINANCE ASSOCIATION

David Church reported the MFA, or Co-op 1 and Co-op 2, were created in the late 1980's as a method by which ULCT conducted group financing. The State Auditor's Office wants these things wound up. He has an obligation to report and would like to see the MFA either terminated or run like it still exists. Both documents specify 25 years or until bonds are paid off, but no longer than 50 years. Records show all bonds were paid in full as of 2015. There is no active Board. Permission by the Board is required to take the steps necessary to file the paperwork with the State to terminate.

Board Member Cronin moved to authorize David Church to move forward with the dissolution of the MFA, and the Chairman of the Board to execute the necessary documents. The motion was seconded by Board Member Baker. The vote was unanimous. The motion carried.

REPORT ON EXECUTIVE DIRECTOR HIRING PROESS

President Hiatt reported the Executive Search Committee has posted the Executive Director position and it will remain open through July 2, 2017. 116 people have applied to date. A search through the individual applications indicated 18-20 of them actually meet the qualifications. A

meeting has been scheduled for July 20, 2017 for the Search Committee to review applications and they will update the Board in the August meeting.

CLOSED SESSION

None

OTHER BUSINESS

The League office will be closed on the 4th of July.

President Hiatt commented discussions have been taking place regarding the Utah Defense Alliance and areas around Hill Airforce Base. He would like to see the League take an active role in those discussions. Closure of this military installation would be detrimental.

ADJOURN

As no further business came before the Board for discussion, Board Member Baker moved the meeting adjourn. The motion was seconded by Board Member Caldwell. The vote was unanimous. The meeting adjourned.

The Board of the Utah League of Cities and Towns will next meet on August 21, 2017.