

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

UTAH LOCAL GOVERNMENT TRUST, 55 US-89, NORTH SALT LAKE, UT 84054
WEDNESDAY, AUGUST 30, 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

Council Member Andy Beerman, Park City
Mayor Mike Caldwell, Ogden City
Council Member Mike Mendenhall, Spanish Fork
Mayor Dave Sakrison, Moab
Mayor Karen Cronin, Perry City
Mayor Brent Taylor, North Ogden
Council Member Kelleen Potter, Heber City
Mayor Bob Stevenson, Layton

EX-OFFICIO MEMBERS

David Church, Legal Counsel
Matt Dixon, UCMA
Leigh Ann Warnock, UMCA

ULCT STAFF

Susan Wood, Director of Communications and Training
Nick Jarvis, Chief Operating Officer

OTHERS PRESENT

Ellis Hankins, the Mercer Group

WELCOME AND INTRODUCTIONS

ULCT President, Mayor Steve Hiatt, called the meeting to order at 9:08 a.m.

REVIEW & APPROVAL OF MINUTES

It was pointed out the minutes had recorded Past President Lynn Pace was from Provo rather than Holladay.

Board Member Freeman moved to approve the June 19, 2017 ULCT Board Meeting Minutes with the correction above. The motion was seconded by Vice President Beth Holbrook. The vote was unanimous. The motion carried.

CONFLICT OF INTEREST DISCLOSURE

President Hiatt commented this is the Board's opportunity to declare any conflict of interest for any of the agenda items. None was declared.

APPOINTMENT OF ULCT TREASURER

Mayor Carmen Freeman of Herriman, Interim Treasurer, is retiring from public service, requiring the League Board to appoint a replacement before the end of his term in January. The Board was looking for a person who could serve long-term and many resumes were reviewed. Len Arave has been chosen as the new Treasurer.

President Hiatt presented the name of Leonard Arave for appointment as the ULCT Board Treasurer.

It was pointed out the Board's Bylaws state the Treasurer must be an elected official living within 40 miles of the League office, but is silent on whether the position must be filled by a Board Member. Interim Treasurer Freeman suggested the Board review the term of service and a possible change reflecting such in the bylaws.

The motion was restated to appoint Leonard Arave as ULCT Board Treasurer without a term limit at this time, and to review the Bylaws to include a reasonable term.

Discussion continued regarding the appointment. Board Member Pace commented having a member of the League Board serving as Treasurer has made it difficult for them to serve, and he would like to ensure adequate protections are in place. It is sometimes difficult for a member of the Board to ask hard questions from the Executive Director. Board Member Pace asked the Board if they wanted an inside Treasurer, or an outside Treasurer with no inside role. President Hiatt replied it would depend on the personality of the individual.

The Board does not see finances until the final report is ready. President Hiatt feels the Board should peruse them at every single Board meeting. Regularly reviewing expenditures is the only thing not checked off on the Checklist of Best Practices for Board Members of Special Purpose Entities.

Nick Jarvis pointed out that Kari Nakamura and other Staff put into place several layers of protection that were approved by the Board, providing checks and balances before things are brought to the Treasurer. Board Member Pace commented the Board is not prepared to support an internal Treasurer when an outside person could be a watchdog. President Hiatt countered that assumes an internal person will not rise to the responsibility. "An outside person could get just as lazy as an inside person." He did not particularly care which direction was taken, but squirmed at the idea that it is assumed one or the other would be better.

It was commented the system works well as is, and protection will come from hiring a good Director that is tied in with the Treasurer.

Past President Pace made a substitute motion that the Board amend the Bylaws to allow the League Board to appoint an outside Treasurer. The motion was seconded by Board Member

Sakrison. Voting Aye: Past President Pace and Board Member Sakrison. Voting Nay: Remaining Board Members. The Motion failed.

President Hiatt directed the Board back to the original motion to appoint Leonard Arave as the ULCT Board Treasurer. The motion was seconded by Board Member Caldwell. A roll call vote was taken. Voting Aye: Brent Taylor, Kelleen Potter, Andy Beerman, Dave Sakrison, Bob Stevenson, Mike Caldwell, Jon Pike, Steve Hiatt, Beth Holbrook, Lynn Pace, Carmen Freeman, Karen Cronin, and Mike Mendenhall. The vote was unanimous. The motion carried.

President Hiatt said they would give staff direction as they are studying the Bylaws and Constitution and recommend changes to Bylaws should the Board want to go that direction in the future.

ULCT BOARD NOMINATIONS

Nick Jarvis reminded the Board their packets contained lists of all the Board Members coming to the end of their terms, and the candidates who have been nominated for Board Positions. The passing of Mayor Eyre created an additional vacancy. Nick received an email from the Mayor of Mayfield after it was printed, who also wishes to serve. Given there was only one person from a town on that list, he was added in order to give the members more options. He has been very involved in the past. Mayor Baker from Naples is the only one from area 5, which makes his appointment automatic. The other required areas are areas 6 and 8. Four people are on the list from area 6 and two from area 8. The rest can come from anywhere in the state. Two people have applied for 2nd Vice President, and 17 for the Board.

Staff is working on putting together the Nominations Committee. Nick commented he likes having people on the committee who have served in the past, as they know what serving on the Board entails and asked them to let him know if any present would be willing to serve on that committee.

LEGISLATURE'S BEST PRACTICES FOR BOARD MEMBERS OF LIMITED PURPOSE ENTITIES

Nick referred the Board to their packets where they could find a letter and a checklist from the Utah State Legislature. The letter cited concerns which have arisen with many special purpose entities including occurrences of fraud, waste, abuse, and poor management. The Legislative Auditor General conducted a survey on internal controls used by a sample of these entities and developed a list of best practices for internal control and governance. Nick asked the Board to look through checklist and commented the ULCT Board are on top of every single one except for the check register example. Before the new policies put into place over the last year, these boxes were not being checked. He commented it is quite the accomplishment of this Board and Staff and Kari Nakamura for checking these items and implementing them into policy before the list was even distributed by the legislature. He would like this checklist included in the Board Orientation Packet.

A draft response letter will be ready for approval at the next Board meeting in two weeks.

ULCT ANNUAL CONVENTION

Susan Wood, Director of Communications & Training, distributed a sample agenda for the Annual Conference and asked each Board Member to select three or four workshops of interest that they would be willing to attend and welcome the presenter and give them a gift from the League.

Everyone on the Nomination Committee will meet before the conference to hammer out appointments to the Board. It was suggested the meeting be held early in the morning in order to allow the Board to attend classes of interest. Susan commented it would take too long to be out in time. Another suggested the meeting be held in segments. She said they would look at it and work on the best time/times for that meeting.

The Pre-conference event this year includes a fun courtyard BBQ Buffet. The Board meeting will be held from 9:00 – 12:00, with LPC meeting from 12:00 – 2:00. Dinner will be held at 5:30 in the courtyard with an Apollo 13 screening. On Wednesday, there will be a full schedule of events. The new Executive Director will address the membership on Thursday.

CLOSED SESSION (Executive Director Candidate Interviews)

A Closed Session was called as per Utah Code 52-4-205(a) for the purpose of discussing the character, professional competence, or physical or mental health of an individual.

Board Member Brent Taylor asked for clarification as to whether Utah law allows for interviews in a closed meeting. Dave Church said there is confusion because of a change made in 2014 when the Legislature amended the Open and Public Meetings Act in response to Orem's and South Jordan's process in appointing people to fill City Council vacancies. Changes to OPMA say a public body may not interview a person applying to fill an elected position in a closed meeting. As the ULCT Executive Director is not an elected position, interviews may be held in a closed meeting.

Board Member Taylor moved to go into a closed meeting. The motion was seconded by Board Member Mendenhall. A roll call vote was taken. Aye: Brent Taylor, Kelleen Potter, Andy Beerman, Dave Sakrison, Bob Stevenson, Mike Caldwell, Jon Pike, Steve Hiatt, Beth Holbrook, Lynn Pace, Carmen Freeman, Karen Cronin, and Mike Mendenhall. The vote was unanimous. The motion carried.

David Church commented he would recommend allowing the ex-officio members, the Presidents of the Utah Municipal Clerks Association and the Utah City Managers Association, to remain and take part in the discussion regarding the new Executive Director.

In an effort to make it clear that the ex-officio members were invited to stay and participate in the closed meeting, Board Member Pike moved to do so. The motion was seconded by Vice President Holbrook. The vote was unanimous. The motion carried.

President Hiatt commented they had already moved into a closed meeting when that motion was made and called for a new motion to go into the closed meeting.

Board Member Taylor moved to go into a closed meeting. The motion was seconded by Board Member Mendenhall. A roll call vote was taken. Aye: Brent Taylor, Kelleen Potter, Andy Beerman, Dave Sakrison, Bob Stevenson, Mike Caldwell, Jon Pike, Steve Hiatt, Beth Holbrook, Lynn Pace, Carmen Freeman, Karen Cronin, and Mike Mendenhall. The vote was unanimous. The motion carried.

Board Member Stevenson moved to go back into the open meeting. The motion was seconded by Board Member Pike. The vote was unanimous. The motion carried.

ADJOURN

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

The Board of the Utah League of Cities and Towns will next meet on September 12, 2017.