

MINUTES OF THE UTAH LEAGUE OF CITIES & TOWNS
BOARD OF DIRECTORS MEETING
SHERATON HOTEL, 150 W 500 S, SALT LAKE CITY, UT 84101
TUESDAY, SEPTEMBER 12, 2017
9:00 AM

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

PRESENT:

EXECUTIVE BOARD

President, Mayor Steve Hiatt, Kaysville
1st Vice President, Council Member Beth Holbrook, Bountiful
2nd Vice President, Mayor Jon Pike, St. George
Immediate Past President, Council Member Lynn Pace, Holladay
Treasurer, Mayor Len Arave, North Salt Lake

BOARD OF DIRECTORS

Mayor Dean Baker, Naples
Council Member Andy Beerman, Park City
Mayor Mike Caldwell, Ogden City
Mayor Karen Cronin, Perry City
Mayor Carmen Freeman, Herriman
Council Member Mike Mendenhall, Spanish Fork
Council Member Kelleen Potter, Heber City
Mayor Brent Taylor, North Ogden

EX-OFFICIO MEMBERS

Matt Dixon, UCMA
S. Annette Spendlove, UMCA

ULCT STAFF

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

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

2. DISCUSSION AND/OR ACTION TO CONSIDER AUGUST 30, 2017 BOARD MEETING MINUTES

President Hiatt called for a motion to approve the August 30, 2017 Board Meeting minutes.

Mayor Caldwell motioned to approve the August 30, 2017 Board Meeting minutes. Council Member Pace seconded the motion.

Voting on the motion: All voting aye

The motion passed.

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

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

4. ULCT BOARD & COMMISSION REPORTS

Mayor Karen Cormin stated that the Governor's Board is meeting with Economic Development Leaders.

Mayor Jon Pike stated that the Joint Highway Committee will be meeting the end of this month.

5. INTRODUCTION OF ULCT TREASURER MAYOR LEN ARAVE, NORTH SALT LAKE

President Hiatt introduced Mayor Arave from North Salt Lake as the ULCT Treasurer and thanked Mayor Freeman who has been serving as interim Treasurer.

Mayor Freeman stated this transition will happen mid-October when Cameron Diehl takes his position as Executive Director.

Roger Tew stated that there is value in a transition as Mayor Freeman can help Mayor Arave get up to speed with what has been done.

President Hiatt suggested that we have appointed Mayor Arave already and feels that he should start as of now.

Mayor Freeman replied that he is okay with handing the position over today.

Nick Jarvis asked if it could wait until after the conference as staff is busy doing things for the conference and next Monday would be a better day for them.

President Hiatt asked Mayor Arave to tell the Board Members about himself.

Mayor Arave stated that he is happy to serve as the ULCT Treasure. He has been the Mayor of North Salt Lake for 8 years; a Chief Financial Officer for a Real Estate Business, which he retired from 8 years ago, when he decided to become Mayor. I'm happy to do this.

Council Member Pace stated that there wasn't an effective date or terms discussed concerning this position.

President Hiatt suggested that the new treasurer begin immediately with some transition time for Mayor Freeman to assist as needed until Mayor Arave can be brought up to speed.

Council Member Pace asked if this needs to be added to our bylaws.

President Hiatt stated that the reason for not putting a term limit was to let staff review the bylaws and suggest a change to the board.

Mayor Freeman suggested adding an annual review of the treasurer position.

Mayor Baker suggested that a 2-year limit is too quick. Council Member Beth Holbrook agreed and would like a minimum 4-year term to coincide with the majority of their offices.

Mayor Freeman agreed.

President Hiatt stated that staff will review and bring back suggestions and receive board input at the next meeting.

6. REVIEW & APPROVAL OF CHECK REGISTER

Nick Jarvis presented and reviewed the check register with the Board Members.

Council Member Pace asked the difference between voided and reprinted checks. Nick explained that issues with the printer were the reason for having to void and reprint checks on preprinted checks.

Council Member Pace inquired whether the latest payment to Deseret Digital Media was the last payment. Nick responded in the affirmative.

The Board proceeded to discuss concerns about processing voided checks, handling check descriptions, credit card purchases, etc.

Mayor Pike motioned to approve the July & August 2107 Check Registers. Mayor Baker seconded the motion.

Voting on the motion: All voting aye.

The motion passed.

7. MEMBERSHIP DUES PAYMENT UPDATE

Nick Jarvis stated that 99% of dues have been collected. We have one City, Syracuse, who informed us that they choose not to pay dues this year.

Roger Tew replied that he contacted the Syracuse City Manager and he would love to have his City in the League, but it's the management's decision. He said that after the election they may have an entirely different attitude.

Nick stated that come November, there may be a few more elected and it will be important for all of us elected officials and staff to help educate them on the importance of cities and the importance of the League and how we're stronger together than if cities break off and do things on their own.

Discussion ensued on registration amount per member vs nonmember.

Mayor Taylor commented that it's important the League handles this carefully, because if people feel like we are suppressing other viewpoints it will only create more dissension. The best thing we can do is make sure they can have their say.

Nick stated that the bottom line is we have 99% of dues in with 95% of the communities throughout the State.

8. RECOMMENDED PERSONNEL & ACCOUNTING POLICIES

Nick Jarvis suggested that the Board add a sentence to the Personnel and Accounting Policies under the Division of Responsibilities – Board of Directors number 2. Reviews annual and periodic financial statements and information, adding simply: “including monthly check registers”.

So that's what we did earlier in the meeting, we just wanted to make sure we had that written down as part of our record of policies and procedures.

Mayor Freeman suggested that it would be good under “alerts the executive committee of any accounting deficiencies or concerns” I don't know whether they should go to the chair or executive committee “if the Board Treasurer finds discrepancies they will alert the Executive Director and Board”. Also, under Executive Director number 3. add “with exception of checks written personally to the Executive Director” they shouldn't be writing their own check. It doesn't look good for the Executive Director to be signing their own check. Council Member Holbrook agreed.

President Hiatt explained that we have E-signatures in payroll. If they choose not to use direct deposit they have E-signature on it.

Mayor Baker suggested leaving it in there as a capability, but it should be a policy that someone else should sign.

Roger Tew stated this would be pretty infrequent. Maybe a travel reimbursement.

Mayor Arave stated that he doesn't have a problem with the Executive Director signing his own check, but those reimbursements need to be flagged so we can see what's coming through.

Mayor Freeman stated that on page 35 under Chief Operating Office under 13 assists payroll officer, I was just going to suggest adding, “following the approval of executive director & treasurer”. We've got to have it in policy.

Mayor Cronin motioned to adopt the policies with the recommended amendments of 1, 2 & 4 as outlined. Adding to the Treasurer “approves payroll with Executive Director” and “alerts the Executive Committee and Director of any accounting deficiencies or concerns” and “reimbursement checks to Executive Director must be approved by Board Treasurer or President” and “sends payroll for processing following approval of Treasurer and Executive Director”. Mayor Baker seconded the motion.

Voting on the motion: All Voting Aye

The motion passed.

9. ULCT BOARD & COMMISSION APPOINTMENTS

Roger Tew stated there is a brief memo on two appointments: Ryan Snow, Roosevelt City Manager, to the Joint Highway Committee and Cameron Diehl, Executive Director of ULCT. That one is more informational.

Mayor Cronin motioned to Adopt a motion ratifying appointments of the following: Ryan Snow, Roosevelt City Manager to the Joint Highway Committee as the second municipal representative for Region 3 and Cameron Diehl the Executive Director of ULCT as a member of the EDC Utah Board of Advisors. Mayor Freeman seconded the motion.

Voting on the motion: All voting aye

The motion passed

10. DISCUSSION AND ADOPTION OF SPONSORSHIP AGREEMENTS

Roger Tew stated that the ULCT staff has gone to great lengths to recover the relationship with the Utah Local Governments Trust. Just a little bit about our sponsorship arrangements. The Trust and Zions Bank are the main contributors as sponsors. The Trust asked for a sponsorship agreement. They agreed to pay for 3 years. The commitment between the Trust and ULCT to accept the Trust as a sponsor with \$60,000 for each year of which we received the first installment in April 2017. They are so unique. This is their request. My personal feeling is that we need to sign this. Before you is the agreement for this partnership.

Council Member Holbrook stated that she is a vendor at the conferences and will abstain from voting. She said that as a vendor/sponsor, this is a great deal, but I don't know that this is the best deal for the League in the sense that there are a couple of issues that I think would not normally be required of a vendor and I get that they are paying more and guaranteeing a payment but it is a unique relationship. Do we assist the Trust with legislative matters that may affect it? As a vendor I would take it in a heartbeat, but I just feel like this is rather restrictive and I don't see this as advantageous long term.

President Hiatt stated as he reviewed the language in the agreement it appears strong and appears to commit us, but as you read it in detail it doesn't seem to me to be restrictive. The thing that stood out to me is number #4, and at first I thought they are stopping us from shopping in other entities but as I was talking to Roger, the issue was that the League terminated their relationship with the Trust and then others started their own ULCT insurance company offering insurance services to other cities. It is specifically speaking that for the duration of this contract this Board will not start its own insurance company. There are some specific things they are asking for but the sum is also significant.

Council Member Holbrook replied that the challenge is that it's not a right and certainly there is a timing issue as well. What if it's something that comes up during a legislative session and you need board approval.

Cameron Diehl stated that there was a 2-year effort during my time as director to review the government immunity statutes and at one point the instructions given to me were to ignore the Trust and not include them in those conversations. We were representing cities and the Trust was the insurance entity for many of those cities. That was an example where we needed to make sure that all of us were working on the same page. Part of my job as executive director going forward is to make sure those channels of communication are open year round so we don't have these challenges.

Mayor Beerman addressed inserting “League agrees to best efforts to provide the following to the Trust”. Legally it’s a little ambiguous, but it says we are going to try to provide it within reasonable degrees.

Council Member Holbrook stated she would argue that you are pretty much firmly committed to the language the way this is written, and as a vendor I think it’s great.

Roger Tew replied that they are giving us money we are not giving them money. What we are committing to is a working relationship. There is not a thing we are not doing before this went south. It goes south again, they will just stop giving us money. It is one of those situations that is a statement of intent.

Mayor Taylor stated that he is concerned with this agreement because this to me is a really unusual relationship. Are we contractual partners? I feel like we are surrendering part of our independence for money but our members are the ones who provided that money too. I’m really concerned about this and it could have the effect of excluding other insurance vendors. I don’t want the perception to be the League is creating an insurance monopoly, this is like we are becoming partners on a much larger level than a sponsorship and I’m not sure we should go there.

Roger Tew replied that he wants it to be very clear that this is the direction we were pushing. We asked for significantly more money and our hope is we will get it. That’s what led to the breakup to begin with. This is a very unique situation.

Cameron Diehl stated that the ULCT and the Trust were the same entity once upon a time. They split into two entities back in the 80’s and as a part of that split, the Trust was a higher sponsor than any other sponsor. Yes, it is a unique relationship compared to other sponsors. Part of the reason URMMA exists is because there was a fracture within the Trust.

President Hiatt stated that he couldn’t speak for anything that happened long ago, but earlier when he was on the board his understanding was there was a little bit of the belief that, “we started you, you should be participating more than you are” attitude. After events took place this year, one of the first things that Karen and Roger did was reach out to the Trust and say we want to be friends again. We are doing all we can to build the relationship. I don’t think we are committing ourselves to anything different. If I was on the board of an entity that was giving \$60,000 as a sponsorship, I would say I trust these guys but boards turn over all the time and I might want it in writing.

Council Member Holbrook responded it’s not just \$60,000, they don’t want us to hurry and ask for \$150,000 which is what other Trusts comparably do as sponsorships.

City Manager Matt Dixon asked that below this sponsorship, what is the next highest level of sponsorship? And do they know for this contribution, what do we get?

Nick Jarvis replied that the next level down from that is \$25,000 plus. They receive their own table, workshops at both events, etc. We do need some way of formalizing what they do get.

Council Member Holbrook gave praise as a vendor to the staff for establishing a fluid explanation.

City Manager, Matt Dixon asked if any other vendor is willing to come in with a \$60,000 commitment, would we be equally supportive to say, okay, here are the conditions?

Mayor Cronin asked what if URMMA came in and dropped \$60,000 would we give all the same benefits?

President Hiatt asked, if we are doing our due diligence, do we need to go to URMMA?

Mayor Arave replied that the Trust is a little different anyway. It is really a benefit to all of the cities. It is different than URMMA or any of the others.

Mayor Caldwell replied that he doesn't have a problem with this.

Mayor Pike stated two things, one there really isn't a termination clause but if we were to sign this agreement as is and we didn't like how it was going then we could just be done, right? The other thing is the League and Trust because of our membership, we are essentially the same, and will there really be opposing things. I don't think so. They are us.

Council Member Holbrook commented that it's all about money.

Council Member Pace stated the real question for this board is "Is a 3-year agreement too long"? Are you okay with that timeframe or do you want to reassess that relationship before then? If you look at paragraph 5, it's a 3-year agreement with automatic subsequent renewals. So, it's not \$60,000 for 3 years, it's \$60,000 forever unless someone retracts it. You have to give 60 days to cancel or just fail to perform. Can they sue us if they pay us and we don't perform? Do you think this deal is worth doing even if it stays at \$60,000 in perpetuity?

Roger Tew replied, yes. I think their board was very perturbed with our board. We asked for \$120,000 and their board won't do that until we get the relationship back to an even keel.

President Hiatt stated that the sentence, "will renew automatically for an additional 2-year period unless either party provides" is uncomfortable to him. Whenever the time is right, we need to re-negotiate. I'm even okay with 2 more years with notice.

Council Member Holbrook replied that it should be taken out.

Roger Tew cautioned to please not let this unravel. He has spent one year to put this together. I come from the standpoint that \$60,000 is a lot more than \$0.

Mayor Taylor asked how much does Zion's Bank contribute?

Nick Jarvis replied \$70,000.

Mayor Taylor asked if the ULCT has a written contract with Zions Bank?

Nick Jarvis replied we do not.

Mayor Taylor explained the tactics the Trust used on North Ogden by going around the process to get what they wanted. It was not professional and dishonest. I do not think we should sign a long-term agreement either.

President Hiatt added that in principle I expect to be told to my face. I think that's what caused the problem. They went around Ken.

Mayor Caldwell commented that we are plowing up a lot of past history. I personally don't want to pay more League fees and I think we can manage this. I have no problem with this and I have confidence in the League. I would expect that Camren and the staff will keep a close eye on this.

Mayor Cronin agrees with Caldwell and gives kudos to Roger Tew who has been in the trenches with this. The one request I would ask is if there is any negotiation they would do, the agreement ending would be April 30th, and take out the automatic renewal.

President Hiatt stated that he is not discounting anything but we've only been working on this for 9 months, it just feels like a year.

Council Member Pace commented that Steve Hansen said of course we will re-negotiate at any time, but I have no confidence that if Camren goes back and says it should be \$90,000 that Steve is going to be receptive.

Mayor Pike replied that after second payment the re-negotiating should start well in advance of the 60-days-notice.

President Hiatt stated that this is good for business and I am going to vote for it except for the automatic renewal.

Council Member Pace stated that they can terminate this by not sending a check and we can end it by not performing. This is our attempt to rebuild the relationship.

Council Member Holbrook replied that they need us.

Mayor Pike called for a motion. I would suggest that based on the discussion that we approve the agreement as is with one exception; that we strike the part in #5 and end it after April 30, 2020.

Mayor Taylor stated that he will vote for this but asked that we don't want to make anyone else in this market to feel unwanted.

Mayor Freeman asked to what extent do we make this known outside the ULTC. Some may raise an eyebrow.

Mayor Pike motioned to approve an Agreement between ULCT and Utah Local Governments Trust as is except for #5 and the wording, "The term of the agreement will be for three years with the initial term ending April 30, 2020. The agreement may be terminated if either party fails to live up to its obligation of the agreement." Mayor Caldwell seconded the motion.

Voting on the motion: Holbrook abstained all others voting aye.

The motion passed.

11. LEGISLATIVE ISSUES: TRANSPORTATION AND LAND USE

Cameron Diehl asked Council Member Beerman to take a few minutes and present a resolution he would like the Board to consider.

Council Member Beerman spoke on the DACA Program (Deferred Action Childhood Arrivals). He stated that the National League of Cities and Towns has taken a stand on this, asking Congress to take action. We wanted to see if the League has any interest in making a resolution asking Congress to take an action on this.

Council Member Pace stated that he doesn't know the background on this. What is the status of children brought into the country by their parents?

Council Member Pace commented that the law doesn't provide any protection for children brought into the country by their parents and that the Obama Administration declared that they're not going to enforce that law and now President Trump has repealed this executive order. I am perfectly comfortable encouraging Congress to fix this now.

Mayor Pike stated that his City Council will not pass a resolution like this.

Cameron Diehl reviewed the process to pass this. First you would need 20 signatures in order to bring the resolution from the floor, and then 2/3 vote to consider it. If there is not a decision to pursue a League resolution, there could just be a statement from the Board of Directors. Utah was one of the first states in the country to adopt a state version of the Dream Act. Senator Hatch is the original sponsor in the Senate.

Council Member Pace stated that he is comfortable with a statement, but not with the resolution.

Council Member Holbrook agrees.

Mayor Taylor stated that this is the kind of thing the League should not get into. My City Council is very conservative and would be furious to see this. Getting embroiled in national political issues would be a mistake. I would strongly urge us not to do anything. It splits up this League, especially at the state level.

Council Member Mendenhall agreed with Mayor Taylor.

President Hiatt asked the Board if they want a general statement from the Board.

Mayor Beerman would be supportive of a statement that says there's a problem that needs to be fixed.

Mayor Taylor stated that he sees no upside in doing this.

Mayor Pike replied that he agrees.

President Hiatt stated that he doesn't hear a consensus. As of right now I don't see how we can do anything.

Cameron Diehl stated that this was a hurried resolution and asked the Board if they want this presented at the LPC meeting and to the General Membership.

12. ULCT ANNUAL CONVENTION

Susan Wood asked for help from the Board to help introduce presenters in the workshops and she will send the sign-up around for those who can help with this. The ULCT has water bottles under each podium in the workshop rooms and the person introducing should give the presenter one. She also mentioned that the Friday night entertainment, The Piano Guys, will be at the Capital Theater with doors opening at 6:30

p.m. and the President's Banquet will be from 5 p.m. to 6:30 p.m. in the Courtyard or held in the Ballroom if it is raining.

13. STATUS OF UTAH MUNICIPAL FINANCE COOPERATIVE II TRUST ROGER TEW, INTERIM EXECUTIVE DIRECTOR

Roger Tew presented the status for accounting and legal fees. There was an issue where the prior Executive Director owes the ULCT money for what he thought were legitimate purposes. There are some final documents that need to be filed with the Lieutenant Governor's office when everything is done, but all the money has been pulled out of the other accounts. That's where we are; in the final acts of closure. I have been told that a check has been cut for an amount of money and I can't say anything more than that until I see the check. The situation with the building is not resolved and the building is not deeded over yet.

Council Member Pace asked how much is owed by the former Executive Director.

Roger Tew replied that staff doesn't know.

Nick Jarvis reminded the Board that as the ULCT wraps up things on this issue, they will still show up on the audit for one year.

Mayor Taylor asked if there were multiple parties we are expecting repayment from, or just Ms. Riley.

Roger Tew replied that they only one they know of is her. And we understand the amount that Ken pulled out is coming back. It was not a huge amount of money, and his attorneys informed him he should pay it back.

15. OTHER BUSINESS

There was none.

16. ADJOURN

Mayor Taylor motioned to adjourn. Council Member Holbrook seconded the motion.

Voting on the motion: All voting aye

The motion passed.

The meeting adjourned at 11:35 a.m.

****MINUTES APPROVED AT OCTOBER 16, 2017 BOARD OF DIRECTORS MEETING****