

**MINUTES OF THE UTAH LEAGUE OF CITIES & TOWNS**  
**BOARD OF DIRECTORS MEETING**  
**UTAH LOCAL GOVERNMENTS TRUST, 55 US-89, NORTH SALT LAKE, UT 84054**  
**MONDAY, OCTOBER 16, 2017 – 9:00 AM**

**CONDUCTING:** ULCT Board of Directors President, Council Member Beth Holbrook, Bountiful

**EXECUTIVE BOARD**

Council Member Beth Holbrook, President, Bountiful  
Mayor Jon Pike, 1<sup>st</sup> Vice President, St. George  
Council Member Mike Mendenhall, 2<sup>nd</sup> Vice President, Spanish Fork  
Mayor Len Arave, Treasurer, North Salt Lake  
Mayor Steve Hiatt, Past President, Kaysville

**BOARD OF DIRECTORS**

Mayor Karen Cronin, Perry  
Mayor Dean Baker, Naples  
Council Member Andy Beerman, Park City  
Mayor Mike Caldwell, Ogden City  
Council Member Kelleen Potter, Heber City  
Council Member Bob Stevenson, Layton  
Council Member Damon Cann, North Logan  
Council Member Nicole Martin, Herriman  
Mayor Pat Brady Green River  
Council Member Richard Barnett, Richfield  
Council Member Jewell Allen, Grantsville  
Mayor Brent Taylor, North Ogden

**EX-OFFICIO MEMBERS**

David Church, General Counsel  
Teresa Harris, Logan City Recorder, UMCA

**ULCT STAFF**

Cameron Diehl, Executive Director  
Nick Jarvis, Chief Operating Officer  
Roger Tew, Senior Policy Analyst  
Susan Wood, Director of Communications and Training  
John Hiskey

### **1. Welcome and Introductions – Council Member Beth Holbrook, ULCT President**

President Beth Holbrook called the meeting to order at 9:05 am and called for introductions.

### **2. Board Member Bios, Photos, Fun Facts, and NLC Conference – Cameron Diehl, Executive Director**

Mr. Diehl addressed the group and asked that each board member provide a photo and bio that will be placed on the ULCT website.

He also announced that the National League of Cities Conference held in North Carolina November 15-18. Those interested can contact Cameron for more information.

Interviews will be held this month to hire a new Director of Government Relations on the League staff. The League has also hired Kason Eilers as the new Legislative Research Analyst.

### **3. Review and Approval of Minutes – Council Member Beth Holbrook, ULCT President**

The Board reviewed the minutes of the September 5, 2017 Board Meeting and the minutes of the September 12, 2017 Board meeting.

A correction was made to the September 12, 2017 minutes correcting the spelling of Jon Pike and a correction to Page 9, second paragraph changing the word statue to status.

**ACTION: Mayor Pike moved to approve the minutes of the September 5, 2017 and the minutes of the September 12, 2017 ULCT Board Meeting as amended. The motion was seconded by Mayor Stevenson. The motion carried.**

### **4. Conflict of Interest Disclosure – Council Member Beth Holbrook, ULCT President**

President Holbrook stated that the Conflict of Interest Disclosure will now be submitted on an annual basis and can be updated at any time through the year. She asked that board members submit the disclosure whether they have a conflict or not.

Nick Jarvis added that League staff will also complete a disclosure.

President Holbrook stated the Conflict of Interest Disclosure item will remain on the agenda each meeting and she asked that all disclosures be submitted before the next ULCT Board meeting on December 11, 2017.

There were no Conflict of Interest items brought forward at this time.

### **5. ULCT Board & Commission Reports – Council Member Beth Holbrook, ULCT President**

Mayor Pike reported that he and Executive Director Diehl attended the most recent State Highway Commission meeting in Brigham City. He said this was an important meeting as it relates to various counties.

Executive Director Diehl said there were some questions about a proposed UDOT rule for rights-of-way and who is responsible for bridges over UDOT infrastructure.

Scott Bond with the Utah Retirement Membership Council addressed the Board and stated the URS Council meetings throughout the year.

Executive Director Diehl stated the ULCT has over 50 board appointments to varying committees across the State of Utah. The ULCT is now keeping track of all these committees.

ULCT President Holbrook reported that she serves on the Utility Facility Review Board and they meet as needed. She also serves on the Wasatch Front Regional Council.

## **6. Review & Approval of Check Register – Nick Jarvis, Chief Operating Officer**

Nick Jarvis reported that as part of best practices that were recommended by the Office of the Legislative State Auditor along with the Speaker of the House and President of the Senate. He reviewed the September check register and asked the board to review the register and he asked if there were any questions.

Mayor Taylor asked if the retirement is quarterly.

Mr. Jarvis responded the retirement is paid monthly.

President Holbrook asked for clarification on the Zions Bank payment.

Mr. Jarvis indicated this is a credit card payment to Zions Bank.

President Holbrook stated her bio needs to be updated on the ULCT website, she no longer works at Zions Bank.

**ACTION: Council Member Allen moved to approve the September Check Register as presented. The motion was seconded by Mayor Caldwell. The motion carried unanimously.**

## **7. FY 2018 Budget Amendment – Cameron Diehl, Executive Director & Roger Tew, Senior Policy Analyst**

Mr. Tew gave the following background of the proposed budget amendment.

### **Background**

Mr. Tew stated the Leagues owns the building they currently occupy and the building was built in 1985. The building had one renovation in the early 1990's when the basement was completed but since that time there has been no remodeling of the building. While serving as the Interim Executive Director he noticed the need for additional space in the current League building. The space above the Leagues offices has been rented but never used. He started the process to see what it would take to upgrade the building and this was never an issue of cosmetics but rather functionality. Through budget savings there is \$150,000 of savings that can be used for remodeling costs. The building is currently in non-compliance with the Americans for Disabilities Act and the downstairs conference room could not be accessed and the League was on notice they were not in compliance. The other side of the League building is currently vacant

so there was an opportunity for the League to move to that temporary space while the current office space is remodeled. The League contracted with an architect to help with the design and it was discovered that not only was the basement area in non-compliance but it was in violation of the fire code and there is no way the basement can be used for any future conference space and the plan is to have the conference room on the main floor. Building costs have gone up significantly and costs are now approximately \$300,000 instead of \$150,000. He spoke with Mayor Hiatt who stated that given the equity in the building and the remodeling costs, would it be better to sell the building and relocate the League offices rather than remodel. Mr. Tew stated that a property evaluation was completed by Monica Rafferty with Coldwell Banker. Copies of the evaluation were distributed by Mr. Tew. He stated that League staff would like to remain in this location because of the proximity to the Capital, downtown and accessibility.

The property evaluation indicated that the current areas is highly desired and well-maintained properties in this location tend to maintain their values better in down markets, and increase in value more quickly in up markets. The property provides close proximity for employees and clients to interact with the numerous governments buildings located on or near South Temple. This property offers free private parking in an off-street lot as well as plentiful, free on-street parking. The evaluation indicates that remodeling makes economic sense.

### **Proposed Budget Amendment**

Mr. Jarvis reported the ULCT staff created a budget amendment for the ULCT Board to consider. Through the amendment, the Transfer from Reserves revenue for 2017-18 is increased by \$200,000. Similarly, an increase in Capital Improvements – Office Remodel in the amount of \$200,000 is created in the 2017-18 budget. \$200,000 is approximately 11% of ULCT's PTIF reserves.

The ULCT staff provided public notice for a public hearing for the Board to accept public comment regarding the proposed budget amendment. Following the public hearing, the Board should consider adopting a motion amending the 2017-18 ULCT Budget.

Mr. Jarvis reported that when the Utah League of Cities and Towns Board of Directors adopted the League's 2017-18 budget, the budget included \$88,000 in the "Transfer from Reserves" revenue category. This was made possible through FY 2016-2017 revenue over expenditures savings which totaled \$514,181 at year end. This total includes the additional \$200,652 received from the Utah Municipal Finance Cooperative described in FY 2016-17 Budget Amendment #1 (June 19, 2017), leaving the League with a year-end savings of \$313,529 excluding Co-Op funds. These monies have been transferred to fund balance, leaving the League with \$1,756,781 in ULCT's PTIF reserve account (55% of the original FY 2017-18 budget).

Mr. Jarvis continued and stated the original 2017-18 budget included \$160,000 in "Capital Improvements – Office Remodel" expenditures. Once the office remodel was approved by the Board, ULCT staff engaged with architects, contractors, and other professionals to begin the remodeling process. Professional estimates then indicated that the office remodel would cost significantly more than initially anticipated.

Mr. Tew stated the money is there within the reserves. He stated there is no going back and use the same office space that was used before. The choices are a minor remodeling and combine the two floors. We could sell the building and move somewhere else but another location is unknown and staff likes where they are currently located. The final option is for the Board to approve the proposed budget amendment to allow for the remodel as presented.

Mr. Tew added the conference room in the basement will be closed and no longer used. It will be used for storage only. The remodeling plans are to move the conference room to the first floor, three offices will also be located on the main floor. There will be 7 offices on the upstairs floor and a stairwell will be added. He has hired an architect to do the initial planning of the remodel.

David Church said to comply with ADA the spaces the public is invited to must be accessible and will be located on the main floor. An elevator is not needed because the conference room will be located on the main floor.

Mayor Hiatt stated that its always better to own than rent and he likes the fact that the ULCT owns the building. He said now is a hard time to remodel and to try and get a contractor to come in and do the work and costs could go higher. The ULCT constitution says the offices must be located in Salt Lake City and it would require an amendment to the constitution to change.

Mr. Tew said the current space of the building would sell for \$640,000 and a remodel would cost \$800,000.

President Holbrook said parking is also a value to this location which is very important. The challenge is this will be a 3,000-square foot space that will be fully remodeled. She feels the Board needs to look at what will be a value to the League in the long term and take everything into consideration.

Mayor Hiatt said for him the unknown is if there is something else available for rent somewhere else and can minimal improvements be made at another location.

Mr. Tew said there are no spaces for available for rent available in the immediate area. The League is currently paying \$3,000 a month in rent. The League owns one fourth of the building.

Mayor Taylor said it sounds like to him that the main reason for the remodel is conference space.

Mr. Tew responded the remodel needs to be done to bring the building into ADA compliance, fire code compliance, reconfigure the office space and have an accessible conference room.

Mayor Taylor commented that he feels that \$300,000 is excessive for a remodel. He feels this will be scrutinized by the citizens and we need to be careful.

Mr. Tew said staff has saved half of the money out of their own budget and they can go back and scrutinize but they can't go forward at all with the building they have now.

Mayor Taylor said he is not saying that we don't do the remodel but we look at how to cut the cost of the remodel. Maybe remodel the conference room now and wait on the offices. He feels there aren't enough details and he would like to know more about what is costing \$300,000.

Mayor Caldwell said the Wasatch Regional Council is looking to move their building from the International Center to the downtown and they have looked at space for the last year and there was nothing available.

Mayor Hiatt commented that a budget increase from \$150,000 to \$300,00 is significant and he agreed with Mayor Taylor in needing more detailed information on what exactly the remodel will include.

President Holbrook said she is a firm believer in owning the space and feels that will ultimately be of value to the League in the long term. She also feels there is a challenge in Salt Lake City with building and getting a contractor.

Mayor Taylor said again, he is not against remodeling but he would like more details of the remodel.

Mr. Tew said the League will not spend any money until they know exactly what the costs of the remodel will be.

Mr. Church stated there are necessary repairs that the condo association is doing to the heating and cooling system and the Leagues must pay for those costs.

Mr. Tew said money has been spent on architectural services and the amount doubled from a "guess" he had about the costs. He said it has been 30 years since a remodel was done on the building.

Council Member Beerman said it makes sense to him to move forward in obtaining the scope of work for the remodel and bring it back for the Board to evaluate.

Mayor Pike said when you consider the history of the building, the remodel is a bargain and he feels we should move forward.

Mayor Hiatt said he is not against a remodel and feels the need is there and we can do a bid with options.

**ACTION: Mayor Caldwell moved that the Board adopt a motion amending the ULCT 2017-18 Budget as outlined in FY 2017-18 Budget Amendment #1 dated October 16, 2017 as presented. The motion was seconded by Mayor Stevenson. The motion carried (4 nays – Mayor Baker, Mayor Hiatt, Mayor Taylor and Council Member Allen).**

## **8. ULCT Events – Cameron Diehl, Executive Director**

Director Diehl highlighted the event calendar for 2017-2018. He gave a background on the Road School Conference and asked the Board to consider whether they want the League to continue sponsoring Road School in the future or partner with other Public Work organizations for better training opportunities.

Mr. Tew stated that the ULCT staff was helping with the Road School and they had no real tie to this school and were in competition with other groups.

Mayor Hiatt said when he first heard about the League not sponsoring the Road School he was against it but as he now understands this is a huge drain on the League staff and is a dying event and there are other training options.

Nick Jarvis reported the League made a small amount of money on Road School last year because of the entertainment but in past years they would usually lose money and staff time was heavily impacted.

Cameron stated that the Leagues serves the elected officials and they do not attend the Road School Conference.

**ACTION: Mayor Stevenson moved to discontinue the ULCT sponsoring the Road School Conference and to partner with other Public Works organization for training opportunities as presented. The motion was seconded by Council Member Mendenhall. The motion carried unanimously.**

Mayor Hiatt asked about the quarterly ULCT board meetings and he feels they should be held monthly.

Cameron Diehl stated board meetings are not scheduled during the legislative session and that is why a gap is indicated.

Nick Jarvis said at the next board meeting an official meeting schedule will be presented.

President Holbrook said we need to take the next step and be a governing board and need to have at least a monthly board meeting.

President Holbrook referred to a conversation with Mayor Hiatt who stated that whomever replaces him as Mayor attend board meetings for the remainder of the year. She also suggested that other newly elected Mayors or Council Members get involved as well.

### **Calendar of Major Events 2017-2018**

ULCT Board of Directors Meeting & Legislative Policy Committee – November 13, 2017

National League of Cities, City Summit (Charlottesville, NC) – November 15-18, 2017  
ULCT Board of Directors Meeting & Legislative Policy Committee – December 11, 2017

Municipal Officials Training (Newly Elected) – December & January (Dates TBD)

ULCT Board of Directors Meeting & Legislative Policy Committee – January 8, 2018

First Day of Legislative Session – January 22, 2018

Local Officials Day at the Legislature – January 24, 2018

Utah Rural Water Annual Conference (St. George) – February 26 - March 2, 2018

Last Day of the Legislative Session – March 8, 2018

National League of Cities, Congress of Cities (Washington DC) – March 11-14, 2018

WaterNow Alliance Annual Summit – March 28-29, 2018

Road School (St. George) – April 11-13, 2018

ULCT Board of Directors Meeting (St. George) – April 24, 2018

Midyear Conference w/ Utah Association of Counties (St. George) – April 25-27, 2018

ULCT Board of Directors Meeting (Tentative Budget) – May 2018 (TBD)

ULCT Board of Directors Meeting (Budget Adoption) – June 2018 (TBD)

ULCT Board of Directors Meeting & Legislative Policy Committee – September 11, 2018

Annual Convention – September 12-14, 2018

At 10:38 am, President Holbrook opened the meeting to a public hearing to adopt the ULCT 2017-18 Budget as outlined in FY 2017-18 Budget Amendment #1 dated October 16, 2017 as presented earlier in the meeting.

**ACTION: Mayor Brady moved to adjourn to a public hearing to adopt the ULCT 2017-18 Budget as outlined in FY 2017-18 Budget Amendment #1 dated October 16, 2017 as presented. The motion was seconded by Mayor Hiatt. The motion carried unanimously.**

There were no comments and President Holbrook closed the public hearing.

**ACTION: Council Member Mendenhall moved to close the public hearing. The motion was seconded by Mayor Stevenson. The motion carried unanimously.**

David Church stated that since the public hearing was not held earlier the Board should reconsider the budget amendment.

**ACTION: Council Member Cann moved that the Board adopt a motion amending the ULCT 2017-18 Budget as outlined in FY 2017-18 Budget Amendment #1 dated October 16, 2017 with the condition that when bids go out for the remodel of the ULCT office space that bids go out with options for several different portions of the task and those bids must**

**bey approved by the Board as presented. The motion was seconded by Mayor Pike. The motion carried unanimously.**

**The Board recessed at 10:40 am.**

**The Board reconvened at 10:54 am.**

Mayor Hiatt made a clarification and said what Mr. Tew presented today regarding the remodel is exactly what Mayor Hiatt recommended he present to the Board when they spoke about this several weeks ago. Mayor Hiatt stated he serves on the Mortgage Regulatory Commission and Mr. Tew invited him to review the remodeling plans so he could help report back to the Board.

President Holbrook said that finding out what Mr. Tew reported the League saved for the remodel makes sense as to why they are now coming back to request additional funding.

## **9. ULCT Constitution & Bylaws – Cameron Diehl, Executive Director**

**Andy left the meeting at this time.**

### **Background**

Mr. Diehl stated that the ULCT Board of Directors has committed itself to ensuring that the organization creates, implements, and complies with sound rules, policies, and procedures to provide for good governance and effective operations. It is with this mentality that the Board has recently adopted new personnel and accounting policies and revised the bylaws for the Legislative Policy Committee. Continuing in this effort, the Board should seriously consider an update to the ULCT Constitution to be brought forward to the general membership after consideration by a Constitution and Bylaws Review Committee and the Board of Directors.

### **Timeline for Amending the Constitution**

First, a proposed amendment must be prepared in writing and submitted to the Board of Directors. Second, the ULCT membership must consider the amendment. Third, the ULCT membership must provide a two-thirds majority to amend the constitution. If an amendment is proposed for consideration at a special meeting (such as the Midyear Conference), then the Board must review the amendment on or before the first day of the meeting. The membership shall consider an amendment in one of two ways: in a general meeting or voting by ballot. The proposed amendment may be presented to any annual or special meeting of members of the League. The Midyear Conference qualifies as a “special meeting of members of the League.” The voting by ballot process requires a minimum of 45 days for notice and ballot distribution to all ULCT members.

### **Comparison from 1980 to 2017**

The ULCT Constitution dates to the 1980 Annual Convention with the last major revision occurring in 1995. Utah has changed dramatically since 1980, and yet the ULCT structure and organizational documents have not changed. For example, the constitution requires that a majority of the Board shall be from cities whose residents are approximately equal to 50% of the total number of residents of the State living in ULCT member municipalities. In 1980, people

residing within the 11 incorporated municipalities of Salt Lake County consisted of 50.2% of the county's total population. In 2017, people residing within the 17 incorporated municipalities consist of 93% of the county's total population. Thus, the ULCT membership has 2 changed dramatically since 1980 and the ULCT constitution and bylaws should reflect those changes.

Meanwhile, Utah's population has grown 112% since 1980 from 1,461,037 to 3,098,761. The number of Utah's municipalities has increased by 14% since 1980. Specifically, Utah had one city of the first class (population of 100,000+, which was Salt Lake) in 1980. In 2017, Utah has five cities of the first class (Salt Lake, West Valley, Provo, West Jordan, and Sandy) with several cities projected to become cities of the first class in the decades to come.

### **Constitution and Bylaws Review Committee**

Mr. Diehl recommended that the Board of Directors authorizes me to form a Constitution and Bylaws Review Committee. I recommend that the committee consist of current and former board members as well as municipal attorneys or other staff members with the relevant and invaluable institutional knowledge required for such an endeavor. The committee will make recommendations to the Board for potential constitutional amendments which the membership would consider at the April Midyear Conference.

### **Proposed Time Frame**

- October 16, 2017 – The Board authorizes the committee
- January 8, 2018 – Committee presents draft recommendations to the Board of Directors
- January-April – The Board finalizes the amendments for presentation to the membership at Midyear Conference
- April 25-27 – Midyear Conference with business session for amendment review and approval

**ACTION: Mayor Caldwell moved to adopt a motion authorizing the Executive Director to form a Constitution and Bylaws Review Committee as presented. The motion was seconded by Council Member Martin. The motion carried unanimously**

### **10. Status of Utah Municipal Finance Cooperative II Trust – David Church, General Counsel**

David Church explained that the Co-Op Trust and the Co-Op are two different things. He gave an update on the Co-Op Trust and said in 1990 the League and others created an entity called the Municipal Finance Agency which was a way that we borrowed money as a group and did a Municipal Finance pool. The pool was successful in a lot of ways until the Federal government changed the tax rules. The result of the Co-Op is there was approximately one million dollars created from savings and it was taken out of the Co-Op when the financing was done. Instead of giving this to the League the Co-Op Board, which was essentially the ULCT Board, they created a Trust called the Utah Municipal Cooperative Trust and the purpose was to use that money for the benefit of Utah Cities & Towns. It had a beneficiary to the Trust which was the Utah Cities & Towns. The terms of the Trust are that when all of the bonds are paid off or the year 2012, whatever money was left in the Trust was to be distributed to the trustees of the ULCT. That did not happen as seamlessly as it should have. After the State Auditor and others became involved

with the finances of the ULCT, the trustees of the Trust met and decided to do what they were legally obligated to do which is to pay out the remaining money to the beneficiary which is the ULCT and that was done last April which was \$200,000. They held back \$75,000 to pay the costs of finishing up the Trust which will end this month. He and Mr. Tew have been in regular contact with the attorney who is handling the finishing up of the Trust. As of last month the back taxes had been paid in the amount of just under \$12,000. They are still waiting for the attorney fees to be paid and then will know from the \$75,000 what will be left.

Mr. Tew explained there was a previous controversy on who could access the League money. Once the money from Michelle Reilly was received it was deposited into the Co-Op Trust account. It was then transferred to the Trust fund for the law firm and they will make the final distribution of funds.

Mr. Church continued that after everything is paid the Co-Op Trust account will be closed. The Co-Op (Municipal Finance Agency) will still need to finalize which the ULCT Board will do. Former ULCT staff Michelle Reilly returned money in the amount of \$15,000 to the Trust, not the League for the claims made by the Trust attorneys and the State Auditor of money that was used inappropriately by Michelle Reilly.

Mr. Church said the State Auditor determined the \$15,000 amount and there was some issue where the State Auditor said there some credit card transaction that were inappropriately made by Michelle Reilly. The League sent a demand letter to Michelle Reilly for that money and it has not been taken care of at this time. The information of this money was turned over to the County Attorney's Office and they will determine where it goes from here and he has no updates at this time.

President Holbrook indicated that the ULCT Board has done everything recommended by the State Auditor regarding the Trust and the issues with Michelle Reilly.

#### **11. Closed Session (if needed) as per Utah Code 52-4-205**

No Closed Session was held by the Board.

#### **12. Other Business**

Mayor Stevenson said he had reports that the September ULCT Conference was the best they had ever attended.

Mayor Hiatt agreed and thanked the ULCT staff on a job well done.

President Holbrook stated she had a lot of vendors and elected officials who said the same and she too thanked the ULCT staff for a great conference.

Director Diehl thanked Mr. Tew for his leadership as Interim Executive Director.

Mayor Hiatt said when the change of Executive Director occurred in January, the Board called Mr. Tew nad asked him to serve as the Interim. Mr. Tew accepted the appointment and has done a great job and he thanked Mr. Tew for his service.

Director Diehl said tentatively there is a ULCT Board and LPC meeting scheduled in November He suggested that LPC be cancelled in November because there are no major updates to report. The Board can also review the remodeling bids for the new building at the December meeting.

**ACTION: Mayor Hiatt moved to cancel the November ULCT Board meeting as presented. The motion was seconded by Mayor Caldwell. The motion carried unanimously.**

The next ULCT Board meeting and LPC meeting will be held on Monday, December 11, 2017.

No further business was discussed by the Board and the meeting adjourned at 11:34 am.

**ACTION: Mayor Cronin moved to adjourn the ULCT Board of Directors meeting of October 16, 2017. The motion was seconded by Mayor Baker. The motion carried unanimously.**