

## UTAH LEAGUE OF CITIES & TOWNS BOARD MINUTES

DECEMBER 11, 2017

The Utah League of Cities & Towns Board of Directors convened in an open meeting on December 11, 2017 at 9:16am at the Utah Local Governments Trust, 55 US-89, North Salt Lake, UT 84054

### **PRESENT:**

#### **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  
Mayor Brent Taylor, North Ogden  
Council Member Kelleen Potter, Heber  
Mayor 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

#### **ULCT STAFF**

Cameron Diehl, Executive Director  
Nick Jarvis, Chief Operating Office  
David Church, General Counsel  
Roger Tew, Senior Policy Analyst  
Susan Wood, Director of Communications and Training

#### **EX-OFFICIO MEMBERS**

Scott Bond, Sandy City, Pres. – UCMA  
Annette Spendlove, North Ogden City V Pres.- UMCA

#### **OTHERS PRESENT**

Travis Vadnais, Eide Bailly  
Michael Michelson, Eide Bailly

## **1. WELCOME AND INTRODUCTIONS**

President Beth Holbrook called the meeting to order at 9:16 am and called for introductions.

## **2. REVIEW AND APPROVAL OF MINUTES**

President Holbrook asked if there were any question on the minutes.

**ACTION: Mayor Bob Stevenson moved to approve the minutes of the October 16, 2017, ULCT Board Meeting with the correction of changing the title where all Council Member Stevenson's name appears to Mayor Stevenson and add Scott Bond's last name where it appears with the Utah Retirement Membership Council. The motion was seconded by Council Member Damon Cann.**

**Voting on the motion: All voting aye**

**The motion carried unanimously.**

## **3. CONFLICT OF INTEREST DISCLOSURE**

There weren't any.

## **4. ULCT BOARD & COMMISSION REPORTS AND NLC CITY SUMMIT UPDATE**

President Holbrook asked if any board members had information they want to present to the board from the boards and commissions they are involved with. She stated that she is on the Utility Facility Review Board and they meet as needed and haven't met for a while. This board is an arm of the Public Service Commission.

Scott Bond, Sandy City Assistant Administrator stated that he is on the Private Activity Bond Board. He stated that the tax reform proposal that is out may do away with the private activity bond. Bond also reported that the Utah Retirement Membership Council is looking at a couple of items. One is retired employees coming back to hire before a year is up. One thing the Council is suggesting is that they make the contribution rate high enough that the employer bringing that employee back that they cover their own cost rather than spreading it out to everyone in the Utah Retirement System. This rate could be as high as 65% and with this said a city may not want to hire someone back and pay a 65% contribution rate and maybe they hire them back at a lower salary to keep the rate low. This percentage has been through the actuaries and this 65% reflects the cost to the system.

Bond stated the second item is the term Tier II reform and as you know it has been about 6 years since the Tier II System was put into place and the number of employees in this system is being tracked at Sandy City and it is growing. Bond said that he expects that there will be more Tier II employees on payrolls within the next 4 to 5 years rather than Tier I employees. A lot of the concern comes from law enforcement. Law enforcement has a group that meets and this group

will be meeting tomorrow to speak on some of their ideas. Public Safety in the Tier II System currently will retire at 25 years with a benefit of 37.5%. This group would like to see those Tier II employees in law enforcement who retire at 25 years to receive 50% benefit. To get to this point it would require a 3.74% increase in benefit rates. Bond stated that he would like to get City Managers input on this and asked those present to get with him to discuss this. Bond said this is a significant increase for many budgets. President Holbrook as a side note stated that she was at a Salt Lake City Cog and her car was hit and could be totaled. Holbrook said the Police Officer that helped her was a former Bountiful City Officer who is now working for Salt Lake City. This was very impactful for her as it is for many jurisdictions facing officers leaving for better pay at another agency. Cameron Diehl, ULCT Executive Director stated that the league does anticipate a bill on the law enforcement 3.74% increase as the Utah Police Association is looking for a sponsor. Diehl said on the rehiring of an individual particularly law enforcement, that bill has come before the legislature in years past since 2011 most recently 2 years ago. At that time it did pass in the house and then did not get a hearing in the Senate. Diehl said there have been different attempts by legislators to bring similar bills forward. There is not a bill yet for this session but it doesn't mean there will not be one, with that being said there are already over 1000 bills filed for this year and he does expect these retirement bills to come up. Diehl stated that the Police Association has asked the League to back them in both bills they have prepared for this next session. Mayor Caldwell stated that there are 600 police positions open at this time throughout the state that aren't being filled, this is critical and a large issue. Much discussion ensued on this issue.

President Holbrook stated that she, Cameron Diehl, Nick Jarvis and several other Council Members and Mayors in Utah attended the National League of Cities Summit in Charlotte, North Carolina. She stated that it was a great opportunity with interesting classes. There was a lot of Utah representation. There were classes on Social Media, Managing Your Communication Strategies, Analytics, Transportation, Affordable Housing. Where is Your Money Best Spent, and many more.

Cameron stated that they gathered some great information with multiple workshops. Utah has been awarded to host the NLC Conference in March 2021. President Holbrook said the NLC was they were very complimentary about Cameron Diehl who when he appointment as the ULCT Director he stepped right up and began working with NLC. President Holbrook commented that the NLC is valuable for us and connects us with our federal leaders. Director Diehl stated, NLC is trying to provide programming and best practices sharing across the entire nation, which is very helpful to us here in Utah. Council Member Mendenhall stated NLC has invited us, Spanish Fork to participate and made it very attractive for us to join. President Holbrook said they see that Utah is getting a lot of accolades economically and Forbes recommendations of best places to live. Up to December 15, 2017 they have an additional \$100 off for March conference registration.

## **5. ULCT BOARD OF DIRECTORS**

President Holbrook turned this item over to Council Member Mendenhall. Council Member Mendenhall thanked Perry City, Mayor Cronin for her service to Perry and ULCT and thank you for still servicing us on the Constitutional Review Committee. Mayor Cronin stated that it has been a pleasure to serve and rub shoulders with the people of the League. The League is so important and hopes to cross paths with many of you in the future.

Council Member Mendenhall said there were many applicants to fill this position who are highly regarded, but one names came to the top, Council Member Don Christensen of West Valley City who has been a member of the board before and an active member of ULCT. Mayor Holbrook asked for questions form the Board Members. Mayor Taylor stated he is a great person and Mayor Pike agreed and said Council Member Christensen is qualified and wants to be involved. President Holbrook said she has spoken with Council Member Christensen and he is enthusiastic. Mayor Cronin stated that Council Member Christensen is very faithful, a man of integrity, and will do a great job here.

**ACTION: Mayor Cronin moved to appoint Council Member Don Christensen as a Utah League of Cities and Towns Board Member. Mayor Stevenson seconded the motion.**

**The motion carried unanimously**

#### **6. ADOPTION OF 2018 MEETING SCHEDULE**

Nick Jarvis, Chief Operating Officer reviewed the tentative meeting schedule for 2018. He stated that the Board will be meeting monthly except in March and July.

**ACTION: Mayor Hiatt moved to approve the 2018 Meeting Schedule. Council Member Beerman seconded the motion.**

**The motion carried unanimously**

#### **7. REVIEW & APPROVAL OF CHECK REGISTER**

Nick Jarvis reviewed the October, November check register and allocations of credit cards, and asked for questions . President Holbrook asked if the contractual obligation to Deseret News have been completed. Mr. Jarvis replied that they have. Mr. Jarvis explained that fraud had been found on an employee credit card and the account was credited last Friday.

**ACTION: Mayor Pike moved to approve the October, November Check Register and allocations of credit cards as presented. Mayor Brady seconded the motion.**

**The motion carried unanimously**

#### **8. FY 2017 YEAR –END FINANCIAL REPORT**

Mr. Jarvis reviewed the Fiscal Year 2017 Financial Report. Mr. Jarvis started that the Board will be receiving these reports quarterly. He said they collected over 95% of membership dues this is due to one community deciding not to join the league. He continued stating 98% of all registration fees were paid and reminded the board members that they will not reach that target this next year as they will not be hosting road school. Donation and advertising we are 137% above of what we

were expecting due partly to co-op funds and the reengaging with the Utah Trust. Grants and Special Projects we did not receive the money from the Active and Healthy Communities Grants in that fiscal year due to the slow turnaround of the reimbursement in a different year, but we expended the grant money in that year. President Holbrook asked if the budget would need to be opened to make those amendments for the sponsorship levels and anything else that is reoccurring. Mr. Jarvis replied we are not required to do that. Only expended 79% of what we had budgeted for and this was due to Kerri Nakamura's fiscal leadership within the organization. We watched our expenses tightly as we knew we would have some unexpected expenses due to fines, fees, and additional accounting expenses. We did not collect all the revenue we were planning on but ended up with about \$500,000 revenue over expenditures. President Holbrook called for a motion.

**ACTION: Mayor Hiatt moved to approve FY 2017 Year-End Financial Report. Council Member Mendenhall seconded the motion.**

**The motion carried unanimously**

#### **9. FY 2018 Q1 FINANCIAL REPORT**

Nick Jarvis, Chief Operating Office reviewed the report: Collected 64% of revenue which is right on track; over 100% in the collection of our dues because we did recognize when preparing the budget that one community would most likely not participate; have collected just over half of our registration fees that include our elected officials conference and just over half of our annual conference, just a reminder we not collect 100% of this item because when we prepared the budget we included Road School and we will not be hosting it this year; donations and advertising collected 21% of the revenue; we are on track at 32% personal on track; grants and special projects spent 9% overall we are on track. President Holbrook called for a motion.

**ACTION: Mayor Brady moved to approve FY 2018 Q Financial Report. The motion was seconded by Council Member Beerman**

**The motion carried unanimously**

#### **10. PRESENTATION OF FY 2017 ANNUAL AUDIT**

Michael Michelsen with Eide Bailly introduced his Manager Travis Vadnais. Michelsen reviewed stated he was going too focused on reports. Michelsen state that the first thing they issue is the Auditor's Report and it is on page 1 in the financial statement packet. He continued that it is similar to last year in that the issues surrounding the trust co-op made it difficult to obtain what we felt would be complete information to perform an audit or to issue and audit opinion on that. If you remember, Government Accounting Standards and then Related Audit Reporting Standards require us to issue two separate units. The information for the MFA is included as we were able to get enough accurate information. The co-op with the Trust is not included as discussed.

Michelsen reviewed the Government Accounting Standards report and spoke on the co-op and how it would be reported. He continued in the report with compliance (there were two findings (both dealt with public meetings act, uploading approved minutes to public notice website and audio and recordings needed), qualified opinion, and audit adjustments (there were none). He stated the reason that this is a draft report is because it needs to be reviews and approved. Travis Vadnais, Eide Bailly explained the waiver and said that it needs to be signed by his firm. Vadnais presented other letters on the financial statements and reviewed them with the board.

President Holbrook asked once you have a signed copy of the internal waiver, is that when we approve the reports. Michelsen said you could do a tentative approval today with the findings completed. David Church, legal advisor suggested that someone motion to accept the report subject to receiving waivers and final reports. Mayor Pike commented that he appreciated the thoroughness especially with what has gone on. Roger Tew replied that the co-op has been a frustration and didn't understand why it had to be part of this because there is records available. Travis Vadnais stated that they met with the State Auditor on this and he agreed with our standing and position on this. Roger Tew stated the truth is we don't have the records but still have to transfer property and try to remember what happened. Church replied, apparently there are some deeds that were never recorded and a check with the county recorder's office still shows Orem City Park owning this. Mayor Pike asked if we can complete this by the fiscal end of the year. Church replied yes, we will give them a quit claim deed, we can show the bonds were paid off by the League, and we will send a letter to Utah State that says the MFA is completed and paid. Council Member Cann asked what is happening with Co-op Trust. Church replied that they have filed their tax returns, the beneficiaries have been paid and they will file the appropriate documents. President Holbrook asked if that information will reside with the league long term. Church replied that it would and we have the MFA boxes here already. President Holbrook called for a motion.

**ACTION: Council Member Potter moved to accept FY 2017 Annual Audit subject to receiving waivers and final reports. Mayor Stevenson seconded the motion.**

**The motion carried unanimously**

**Recessed at 10:30am**

**Reconvened at 10:58am**

## **11. ULCT OFFICE REMODEL**

Roger Tew presented the remodeling project options for the League offices and the reasons for the remodel. Tew said the reasons for the remodel are the noncompliance with ADA, the need for more office space, the atrium that is not used and is wasted space, and the need for professional offices. Tew stated that President Holbrook came to the office to review the concerns and tour the building with staff. Tew continued and said that all concerns and justifications have been addressed including affordability. President Holbrook stated that she is not an advocate of piece milling this project and would like to see it completed professionally. Mayor Stevenson asked what the cost would be. Tew replied, \$342,000 and a contractor stated it would be a 90 day project. Mayor Hiatt stated the funds have already been approved. Tew stated the contractor will

bid all the subs. Mayor Taylor said he felt the amount is too much and won't be voting on this. Mayor Hiatt said he is voting in support of this. Council Member Potter asked what a refuge area is. Tew replied it is a foldout for a wheelchair. Mayor Baker asked if the existing stairs are staying. President Holbrook replied yes.

**ACTION: Mayor Stevenson moved to approve the Remodel Plan up to \$342,000 Mayor Caldwell seconded the motion.**

**The motion carried 1 opposing vote**

**12. ULCT EVENTS (ELECTED OFFICIALS' ESSENTIALS TRAINING & LOCAL OFFICIALS' DAY AT THE LEGISLATURE)**

Director Diehl presented reviewed the Elected Official training and how much was presented to those who have attended.

Susan Wood spoke on the upcoming Local Officials Day events and said they are going with Hamilton theme.

Mayor Brady asked about auxiliary program. Director Diehl replied that the auxiliary program ended last year. Partners are invited to attend and go to workshops that the ULCT has.

**13. ULCT CONSTITUTION & BYLAWS**

Mayor Mendenhall stated that the committee is meeting today after LPC at 2pm in Bountiful and there is a committee of 16 people.

**14. CLOSED SESSION (IF NEEDED) AS PER UTAH CODE 52-4-205**

A Closed session was not needed.

**15. Other business**

Mayor Taylor announced the birth of his new baby daughter, Caroline at 7lbs 13oz and 19.5 inches tall.

**16. Adjourn**

**ACTION: Mayor Hiatt moved to adjourn. Mayor Caldwell second the motion**

**The motion carried unanimously.**

**Meeting Adjourned at 11:44pm**

**DRAFT**