

# UTAH LEAGUE OF CITIES & TOWNS BOARD OF DIRECTORS MEETING

LOCATION: VIA ZOOM ONLY, MONDAY, MAY 18, 2020 @ 12:00 PM

(TIMES ARE APPROXIMATE)

1. **Welcome and Introductions – Council Member Mike Mendenhall, ULCT President** 12:00 PM
2. **Review & Approval of Minutes – Council Member Mike Mendenhall, ULCT President** 12:02 PM
  - ACTION: Review & Approval of Minutes
  - HANDOUT: [April 29, 2020 Minutes](#)
3. **Conflict of Interest Disclosure – Council Member Mike Mendenhall, ULCT President** 12:05 PM
  - ACTION: Disclosure of any potential conflict of interest with agenda items
  - HANDOUT: None
4. **ULCT Board & Commission Reports & Appointments – Abby Bolic, Operations & Membership Coordinator** 12:07 PM
  - ACTION: Consideration of first round candidates for Outdoor Adventure Commission
  - HANDOUT: Information to be presented at meeting
5. **Strategic Goals Check-In – Cameron Diehl, Executive Director** 12:10 PM
  - ACTION: For information & discussion
  - HANDOUT: [ULCT FY 2020 Strategic Goals](#)
6. **FY 2021 Tentative Budget – Cameron Diehl, Executive Director & Nick Jarvis, Chief Operating Officer** 12:15 PM
  - ACTION: Review & approve proposed FY 2020 Budget Amendment
  - HANDOUT: [Proposed FY 2021 Tentative Budget & Memo](#)
7. **COVID-19: ULCT Update – Cameron Diehl, Executive Director & Victoria Ashby, Director of Government Relations & Wayne Bradshaw, Director of Policy** 12:45 PM
  - Federal: HEROES Act and NLC Cities are Essential campaign (Cam)
  - State: Yellow with a shade of orange (Cam)
  - State: CARES Act next steps (Wayne)
  - State: Transportation stimulus (Victoria)
  - State: other potential special session issues (Victoria)
  - ACTION: Board position on HEROES Act  
Board position on CARES Act dollars in Salt Lake and Utah Counties  
Board position on 2<sup>nd</sup> and 3<sup>rd</sup> state tranches  
Board position on state bonding for Class B&C fund  
Board position on PRC request
  - HANDOUTS: [Tax Foundation HEROES Act Summary \(Link\)](#)  
[NLC HEROES Act Summary](#)  
[HEROS Act Local Relief Funds](#)  
[NLC Cities are Essential Infographic](#)  
[Proposed Distribution Method for CARES Act Local Relief Funds](#)  
[Salt Lake Tribune article: “Utah cities and counties to seek up to \\$70 million from Legislature to cover plummeting fuel tax revenue”](#)  
[Letter on Transportation Funding and B&C Road Allocation](#)  
[Letter from PRC to ULCT Board re PIDs](#)  
[Proposed PID Statue Changes \(PRC\)](#)
8. **Other Legislative Interim Priorities and Engagement – Victoria Ashby, Director of Government Relations** 1:40 PM
  - Water Conservation Task Force with Prep 60
  - Internal prioritization process for June board meeting
  - ACTION: For information and discussion
  - HANDOUTS: None
9. **Amicus & SLC Inland Port – Cameron Diehl, Executive Director** 1:50 PM
  - ACTION: Consideration of pending SLC Amicus request around Inland Port
  - HANDOUTS: [Inland Port Litigation \(from 1/29/2020 Board Meeting\)](#)
10. **Other Business**
11. **Adjourn** 2:00 PM

**Next Scheduled Meetings: June 15, 2020 (Adoption of official FY 2021 budget),  
August 17, 2020**

UTAH LEAGUE OF CITIES & TOWNS  
BOARD OF DIRECTORS MEETING MINUTES

LOCATION: VIA ZOOM  
WEDNESDAY, APRIL 29, 2020 @ 12:00 PM

IN ATTENDANCE:

EXECUTIVE BOARD

Council Member Mike Mendenhall, President, Spanish Fork  
Mayor Mike Caldwell, 1st Vice President, Ogden City  
Mayor Jon Pike, Past President, St. George  
Mayor Dawn Ramsey, 2<sup>nd</sup> Vice President, South Jordan  
Gary Hill, UCMA & Bountiful

BOARD OF DIRECTORS

Council Member Jewel Allen, Grantsville  
Mayor Andy Beerman, Park City  
Council Member Don Christensen, West Valley  
Mayor John Christensen, Mayfield Town  
Mayor Julie Fulmer, Vineyard  
Mayor Michelle Kaufusi, Provo  
Council Member Tasha Lowery, Draper  
Mayor Erin Mendenhall, Salt Lake City  
Mayor Emily Niehaus, Moab  
Mayor Jeff Silvestrini, Millcreek  
Mayor Jim Talbot  
Mayor Maile Wilson Edwards, Cedar City  
Council Member Dustin White, Roosevelt  
Council Member Marcia White, Ogden  
Mayor Jeff Young, Richmond

EX-OFFICIO MEMBERS

ULCT Legal Counsel, David Church

ULCT STAFF

Cameron Diehl, Executive Director  
Nick Jarvis, Chief Operating Officer  
Roger Tew, Senior Policy Advisor  
Meg Ryan, Land Use Manager  
Susan Wood, Director of Communications and Training  
Karson Eilers, Legislative Research Analyst  
Abby Bolic, Operations and Membership Coordinator  
Wayne Bradshaw, Director of Policy  
John Hiskey, Senior Policy Advisor  
Victoria Ashby, Director of Government Relations  
Katie Harley, Event and Strategic Partnership Coordinator

Welcome and Introductions – Council Member Mike Mendenhall, ULCT President

Review & Approval of Minutes – Council Member Mike Mendenhall, ULCT President

- [LINK: Substance of matters proposed, discussed, or decided](#)

MOTION: Mayor Jon Pike  
Approve Draft Minutes from April 13, 2020 Meeting  
SECOND: Mayor Mike Caldwell  
VOTE: Unanimous Approval

Conflict of Interest Disclosure – Council Member Mike Mendenhall, ULCT President

- None

Strategic Goals Check-In – Cameron Diehl, Executive Director

- [LINK: Substance of matters proposed, discussed, or decided](#)

FY 2020 Q4 Financial Projections (April-July 2020) – Nick Jarvis, Chief Operating Officer

- [LINK: Substance of matters proposed, discussed, or decided](#)

Public Hearing: FY 2020 Budget Amendment – Council Member Mike Mendenhall, ULCT President

- [LINK: Substance of matters proposed, discussed, or decided](#)

MOTION: Council Member Jewel Allen  
Enter public hearing  
SECOND: Mayor Jon Pike  
VOTE: Unanimous Approval

MOTION: Mayor Jeff Young  
Exit public hearing  
SECOND: Mayor Mike Caldwell  
VOTE: Unanimous Approval

FY 2020 Budget Amendment – Cameron Diehl, Executive Director & Nick Jarvis, Chief Operating Officer

- [LINK: Substance of matters proposed, discussed, or decided](#)

MOTION: Mayor Jon Pike  
Approve FY 2020 Budget Amendment  
SECOND: Mayor Mike Caldwell  
VOTE: Unanimous Approval

COVID-19: ULCT Update – Cameron Diehl, Executive Director; Victoria Ashby, Director of Government Relations;  
Wayne Bradshaw, Director of Policy;

- [LINK: Substance of matters proposed, discussed, or decided](#)

MOTION: Council Member Don Christensen  
Direction to advocate for 4<sup>th</sup> federal stimulus package  
SECOND: Mayor Emily Niehaus  
VOTE: Unanimous Approval

MOTION: Mayor Dawn Ramsey  
Guidance on CARES Act implementation  
SECOND: Council Member Don Christensen  
VOTE: Unanimous Approval

Other Legislative Interim Priorities and Engagement—Victoria Ashby, Director of Government Relations

- [LINK: Substance of matters proposed, discussed, or decided](#)

COVID-19 Specific Membership Engagement – Susan Wood, Director of Communication &  
Cameron Diehl, Executive Director

- [LINK: Substance of matters proposed, discussed, or decided](#)

Other Business

Adjourn

- [LINK: Substance of matters proposed, discussed, or decided](#)

MOTION: Mayor Mike Caldwell, Ogden  
Adjourn  
SECOND: Mayor Jon Pike

# ULCT PROJECT GOALS & OBJECTIVES 2020

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Cameron Diehl, Executive Director
DATE
December 16,2019

2020 goals to reflect the guidance that the Board of Directors provided during the strategic planning sessions

**Baseline for Goals: Attainable, Achievable, Impactful**

## Department: Training

### Goal #1

*Develop a strategic training plan for the organization to implement annually, which includes targeted training opportunities for specific audiences within the league membership (newly elected, intermediate, seasoned veterans)*

#### Objectives:

Ensure sufficient training for rural members

Ensure 101 level programming at both Midyear and Annual that focuses on Elected Officials Essentials (EOE)

Ensure 201 level courses that focus on bigger picture policy implementation

Explore 301 level courses that are both nuts and bolts and policy implementation, including options for “Muniversity” deep-dive sessions, utilization of retired experts, and partnerships with universities and other similar mission-driven organizations

Implement regular/quarterly LUAU trainings throughout the year with annual goals (promotion, course material, partners, frequency, etc.)

Explore options for regular trainings on other key topics outside of conferences

### Goal #2

*Stay fresh, efficient, and relevant on trainings, particularly at conferences*

#### Objectives:

Solicit regular feedback from the affiliate groups, board members, and general membership about potential themes and topics

Develop an annual calendar of events/timelines/internal deadlines

Streamline the process for conference idea submissions

Ensure that ULCT staff attends NLC and other relevant events to bring ideas back to ULCT

## Department: Finance/administration

### GOAL #1

*Maximize programming dollars to pivot away from expensive entertainment or other programs that don't bring a sufficient return on ULCT investment*

#### Objectives:

Re-evaluate conference entertainment costs

Evaluate the ROI of programs like the essay contest, Local Officials Day, etc.

<b>Goal #2</b>	<b><i>Expand the value for sponsors and exhibitors and non-member revenue for ULCT at conferences and events</i></b>
<b>Objectives:</b>	Implement the new sponsorship program with the a la carte options at conferences
	Enhance the experience in the exhibit halls for exhibitors, sponsors, & attendees
	Enhance the ROI for sponsors year-round through publications, website, podcasts, LPCs, and other events
	Hire Strategic Partnership Coordinator to improve communication between sponsors, exhibitors, and ULCT staff
<b>Note:</b>	<i>With the shift to the Salt Palace and the changes to the sponsorship program, calendar year 2020 will be a benchmark for the number of sponsors, number of exhibitors, and amount of revenue to inform future goals and metrics</i>

**Cross-Department(s):**  
**Membership**  
**Engagement**

<b>GOAL #1</b>	<b><i>Enhance networking opportunities for members</i></b>
<b>Objectives:</b>	Expand use of receptions and community of commonality caucuses (women in local gov't, emerging leaders, similar cities, mayoral forum, etc.)
	Keep ULCT membership on state boards and commissions up to date

<b>Goal #2</b>	<b><i>Increase member participation in ULCT training programming, particularly from elected officials, rural communities, and cities who have not recently engaged</i></b>
<b>Objectives:</b>	Identify cities and towns who have not participated in the last three years and reach out to them to participate
	Explore incentives to increase conference participation, such as a sponsor-funded scholarship for rural members, early-bird discounts, group discounts, recent absence, first-time attendees, etc. (need to create an application process and timing)
	Improve tracking of ULCT member participation at all events (conferences, trainings, LPC, etc.)
<b>Note:</b>	<i>2020 will become the benchmark for attendance of members (particularly elected officials), sponsors, and exhibitors at the Salt Palace to inform future goals</i>

<b>GOAL #3</b>	<b><i>Delineate staff duties over membership engagement</i></b>
<b>Roles:</b>	Membership, communication: the personal touch, spotlight (Comm.)
	Membership, advocacy: legislative participation, leadership (leg team)
	Membership, structure/operations: Nominations, boards and commissions, Board of Directors (Nick/Abby)
	Membership, events: tracking, recruitment, strategies to increase attendance (events/training team)

**Department: Communication**

<b>GOAL #1</b>	<b><i>Enhance the visibility of ULCT officers, board members, and ULCT members</i></b>
<b>Objectives:</b>	Spotlight officers and board members in Friday Facts and on website
	Provide them with opportunities to represent ULCT publicly (editorial boards, op-eds, capitol testimony, ULCT meetings, state leaders, NLC, etc.)
	Have conference spot for President's city, enhance the pomp and circumstance around the officer nomination process
	Promote the Brent and Jennie Taylor Service Award within and outside the organization

<b>GOAL #2</b>	<b><i>Utilize the new website and social media to communicate with members and stakeholders</i></b>
<b>Objectives:</b>	Articulate on our website what we train on and what we don't
	Keep the new website fresh, timely, and up to date
	Have conference spot for President's city, enhance the pomp and circumstance around the officer nomination process
	Promote the Brent and Jennie Taylor Service Award within and outside the organization

**Department: Advocacy**

<b>GOAL #1</b>	<b><i>Increase member participation in ULCT proactive advocacy efforts</i></b>
<b>Objectives:</b>	Utilize COGs/COMs/AOGs/caucuses/Midyear to brainstorm and organize priorities in the spring and summer
	Use surveys to solicit input from members about legislative priorities
	Encourage resolutions at the Annual Convention to define policy objectives
	Improve formalities and efficiencies at the Annual Business Session
	Improve efficiency of LPC (which could include improved remote participation and online voting) and focus LPC on necessary action rather than recaps

<b>GOAL #2</b>	<b><i>Improve process for prioritizing ULCT political capital during the session</i></b>
<b>Objectives:</b>	Engage the officers regularly during the session

<b>GOAL #3</b>	<i>Increase public coordination between state leaders and ULCT members and elevate city issues during the 2020 campaign</i>
<b>Objectives:</b>	Strategically invite state leaders to conferences as participants or presenters
	Coordinate with political parties to train city officials on how to run for delegate or partisan office
	Conduct video interviews (or podcast or questionnaire) with gubernatorial candidates



TO: ULCT Board of Directors

FROM: Cameron Diehl, ULCT Executive Director  
Nick Jarvis, Chief Operating Officer

DATE: May 14, 2020

SUBJECT: FY 2021 Tentative Budget

We are proposing a FY 2021 budget of \$2,912,500, of which \$2,692,500 is ongoing revenue and \$220,000 comes from reserves. The ongoing revenue of \$2,692,500 is a 7% decrease from the FY 2020 budget. With the addition of one-time reserve funds of \$220,000, the overall FY 2021 budget increases by \$18,500 (0.64%) compared to the previous fiscal year.

The reason for the inclusion of \$220,000 in reserves is to ensure we are in compliance with our unrestricted cash balance policy. As a reminder, the board adopted a policy in August 2019 that ULCT must have an unrestricted cash balance of between 25-50% of budget. We currently project our balance to be at 54%, so we are proposing transferring \$220,000 from reserves for one-time projects. This memo outlines the highlights, adjustments, and priorities of the FY 2021 budget.

**Part 1: Revenue: projected \$18,500 increase in total revenue (0.64%)**

ULCT revenues come from three primary sources: membership dues, conference registration (members and exhibitors), and private sector sponsorships. In consideration of the fiscal strain our members are facing in the upcoming fiscal year, the Board of Directors decided on April 13, 2020 to freeze dues at the FY 2020 amounts for each member. We have budgeted \$1,850,000 in dues revenue out of a possible \$1,878,376 with 100% membership. We are cautiously optimistic that we will retain full membership in FY 2021.

We anticipate a decrease in registration fees and exhibitor revenue because of the unknowns surrounding COVID-19. That said, this tentative budget still contemplates an in-person Annual Convention. We are working on Plan A (in-person), Plan B (virtual), and Plan C (hybrid) for Annual. Both Plans B and C would mean further reductions in conference-related revenue and expenses. We have not prepared a tentative budget yet based on B and C.

As mentioned above, this budget contemplates drawing \$220,000 from our unrestricted cash balance (the interlocal version of your cities' "fund balance") in order to be in line our policy. We project our unrestricted cash balance to be approximately 54% of budget at the end of FY 2020, and this amount would put back under 50%. We are *not* drawing on reserves to fund ongoing costs or as a revenue replacement, and as you will see below, we have made cuts throughout the budget.

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We also anticipate slight increases in interest from the PTIF even with the needed expenditures from reserves, and a decrease in publication revenue because of the timing of the release of our major publications (Powers and Duties and the Municipal Officials Directory, being published every two years). Finally, we also anticipate \$15,000 in grant money from the State of Utah for the ULCT-housed Land Use Academy of Utah.

## **Part 2: Expenses**

### **A) Background**

In last year's tentative budget memo, we mentioned that projecting annual expenses for FY 2020 is challenging because of a lack of historical data due to poor record keeping by the previous administration prior to spring 2017. Over the next few years, we will have better data regarding year over year expenses and revenues which will empower us to better track trends.

That said, we have been successful in developing a better grasp on our historical expenses, and you will notice multiple cuts in our administration section which reflect a better understanding of our expenses based on our new software and identified efficiencies. We have sought simultaneously to tighten our belt to reflect the 7% decrease in ongoing revenue while also setting aside reserve dollars to fund one-time projects.

### **B) Personnel: proposed increase of \$53,500 (3.9%)**

The amended FY 2020 budget includes the midyear addition of the Event & Strategic Partnership Coordinator position approved by the board in November 2019 and the hiring of a new Director of Government Relations. In order to fund these positions for the full upcoming fiscal year, we are proposing an increase to staff salaries of \$41,000 and employee benefits of \$22,500. We do not propose any cost-of-living increases in staff salaries.

We have also included a reduction in contract labor of \$14,000 to help offset these costs within the personnel section of the budget, leaving us with a total increase of \$53,500 or 3.91%.

### **C) Operating and Program Expenses: proposed decrease of \$71,000 (5%)**

- New categories:
  - *Annual Convention Contingency* – \$100,000: This one-time expense anticipates any changes we may need to make to the Annual Convention due to the COVID-19 situation, including the possibility of having to revert to plans B and C mentioned above. This is funded with about 45% of the reserve money we are budgeting to use this year.
  - *Facility & Special Equipment Rental* – We have combined the categories of Facility Rent/Setup and Special Equipment Rental, much like we combined Convention Entertainment and Speakers/Honorariums last year. The FY 2021



budget anticipates a total decrease in these two (now combined) categories of \$17,500 or (7.37%).

- Dues and subscriptions – \$3,000 increase: This is the only ongoing category within Operating and Program Expenses that we expect to increase. This is mostly due expanding our capabilities in hosting virtual meetings with increased security.

#### **D) Grants and Special Projects: proposed increase of \$36,000**

We have cut existing special projects by a total of \$64,000 and propose the addition of new category for the use of one-time reserve funds.

- New category:
  - *Organization Modernization* – \$100,000: This one-time expense also utilizes about 45% of reserve funding for FY 2021. As we navigate our way through the “new normal” COVID-19 has presented us with, we anticipate expenses that will help the League to adapt and thrive in the changing situation. Examples could include new membership engagement software, updating communications systems, and investment in other technology. We have renovated our office space, we are renovating our website, and we will now renovate our behind-the-scenes infrastructure.
- Website Redesign: Last year we budgeted \$80,000 to update the ULCT website which should be up and running by the Annual Convention in September 2020. We are now also having our contractor update our bill tracking software, and this one-time expense of \$20,000 draws on the remaining 10% of reserve funding.

#### **E) Conclusion**

We believe the budget we are proposing to you fulfills the ULCT mission in a financially responsible way, especially considering the unknowns imposed on us by the COVID-19 crisis. We have streamlined our Operating and Program Expenses and are in a position where our unrestricted cash balance policy has enabled us to be prepared to face the upcoming challenges and uncertainty with confidence.

We are grateful for the support and participation of our member cities and towns and strive to provide value to each of them. We are committed to the pillars of respect, collaboration, and outcomes as we advocate for you both at the state and federal levels, and we are committed—as you are—to keeping the League #249strong.

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**UTAH LEAGUE OF CITIES AND TOWNS**  
**FY 2021 Tentative Budget**

REVENUES	FY 2019 ACTUAL	FY 2020 AMENDED BUDGET	FY 2021 TENTATIVE BUDGET	% Change	Amount Change
<b>General Revenue</b>					
Membership Dues	\$ 1,759,890	\$ 1,816,000	\$ 1,850,000	1.87%	\$ 34,000
Sponsors/Donations	\$ 472,278	\$ 388,000	\$ 300,000	-22.68%	\$ (88,000)
Advertising	\$ -	\$ -			
Registration Fees	\$ 488,619	\$ 460,000	\$ 400,000	-13.04%	\$ (60,000)
Exhibit Space	\$ 44,823	\$ 85,000	\$ 80,000	-5.88%	\$ (5,000)
Interest	\$ 62,606	\$ 30,000	\$ 35,000	16.67%	\$ 5,000
Publications	\$ 9,181	\$ 15,000	\$ 7,500	-50.00%	\$ (7,500)
Miscellaneous Income	\$ 0	\$ 5,000	\$ 5,000	0.00%	\$ -
Reserves	\$ -	\$ 80,000	\$ 220,000	175.00%	\$ 140,000
Grants & Contracts	\$ -	\$ -	\$ -		
Rental Income	\$ -	\$ -	\$ -		
<b>General Revenue</b>	<b>\$ 2,837,396</b>	<b>\$ 2,879,000</b>	<b>\$ 2,897,500</b>	<b>0.64%</b>	<b>\$ 18,500</b>
<b>Grants &amp; Special Projects</b>					
Grants-Active & Healthy Communities	\$ 300,000	\$ -	\$ -		
Grants-LUUAU	\$ -	\$ 15,000	\$ 15,000	0.00%	\$ -
<b>Grants &amp; Special Projects</b>	<b>\$ 300,000</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>	<b>0.00%</b>	<b>\$ -</b>
<b>TOTAL REVENUE</b>	<b>\$ 3,137,396</b>	<b>\$ 2,894,000</b>	<b>\$ 2,912,500</b>	<b>0.64%</b>	<b>\$ 18,500</b>

	FY 2019 ACTUAL	FY 2020 AMENDED BUDGET	FY 2021 TENTATIVE BUDGET	% Change	Amount Change
<b>EXPENSES</b>					
<b>Personnel Services</b>					
Staff Salaries	\$ 671,195	\$ 753,500	\$ 794,500	5.44%	\$ 41,000
Employee Benefits	\$ 622,209	\$ 334,500	\$ 357,000	6.73%	\$ 22,500
Payroll Taxes	\$ -	\$ -	\$ -		\$ -
Payroll Fees	\$ 452	\$ -	\$ 4,000		\$ -
Cell Reimbursement	\$ -	\$ -	\$ -		\$ -
Car Expense	\$ 9,000	\$ 9,000	\$ 9,000	0.00%	\$ -
Contract Labor	\$ 254,094	\$ 270,000	\$ 256,000	-5.19%	\$ (14,000)
<b>Personnel Services Subtotal</b>	<b>\$ 1,556,950</b>	<b>\$ 1,367,000</b>	<b>\$ 1,420,500</b>	<b>3.91%</b>	<b>\$ 53,500</b>
<b>Operating &amp; Program Expenses</b>					
Office Supplies	\$ 9,375	\$ 13,000	\$ 10,000	-23.08%	\$ (3,000)
Postage and Freight	\$ 3,357	\$ 5,000	\$ 3,000	-40.00%	\$ (2,000)
Printing Expense	\$ 53,297	\$ 70,000	\$ 25,000	-64.29%	\$ (45,000)
Digital Publication	\$ -	\$ 5,000	\$ -	-100.00%	\$ (5,000)
Equipment purchases	\$ 5,217	\$ 10,000	\$ 8,000	-20.00%	\$ (2,000)
Equipment Repairs and Maint.	\$ 5,429	\$ 4,000	\$ 4,000	0.00%	\$ -
Building Repairs & Condo Dues	\$ 19,752	\$ 17,500	\$ 12,000	-31.43%	\$ (5,500)
Building Utilities	\$ 6,516	\$ 8,000	\$ 4,000	-50.00%	\$ (4,000)
Telephone-Internet Expense	\$ 10,598	\$ 13,000	\$ 7,500	-42.31%	\$ (5,500)
Computer Services	\$ 21,792	\$ 26,000	\$ 20,000	-23.08%	\$ (6,000)
Dues and Subscriptions	\$ 97,766	\$ 75,000	\$ 78,000	4.00%	\$ 3,000
Accounting Expenses	\$ 46,577	\$ 47,000	\$ 44,000	-6.38%	\$ (3,000)
Legal Expense	\$ 36,000	\$ 36,000	\$ 36,000	0.00%	\$ -
Insurance	\$ 8,204	\$ 9,000	\$ 9,000	0.00%	\$ -
Credit Card Processing/Bank Fees	\$ 35,052	\$ 33,000	\$ 33,000	0.00%	\$ -
Board Expenses	\$ 3,612	\$ 10,000	\$ 8,000	-20.00%	\$ (2,000)
Staff Training & Tuition Aid	\$ 16,723	\$ 16,000	\$ 12,000	-25.00%	\$ (4,000)
League Relations (Marketing)	\$ 1,772	\$ 5,000	\$ 2,500	-50.00%	\$ (2,500)
Convention Programming	\$ 200,193	\$ 220,000	\$ 200,000	-9.09%	\$ (20,000)
<i>Annual Convention Contingency</i>	\$ -	\$ -	\$ 100,000		\$ 100,000
Facility Rent/Setup	\$ -	\$ -	\$ -		\$ -
Spec. Equip. Rental	\$ -	\$ -	\$ -		\$ -
<i>Facility &amp; Special Equip. Rental</i>	\$ 198,336	\$ 237,500	\$ 220,000	-7.37%	\$ (17,500)
Food & Beverage	\$ 329,889	\$ 404,000	\$ 378,000	-6.44%	\$ (26,000)
Travel and Lodging	\$ 51,713	\$ 70,000	\$ 60,000	-14.29%	\$ (10,000)
Policy Research & Outreach	\$ -	\$ 45,000	\$ 40,000	-11.11%	\$ (5,000)
Amicus Brief Program	\$ -	\$ 5,000	\$ 4,000	-20.00%	\$ (1,000)
Muniversity (New Training)	\$ -	\$ 20,000	\$ 15,000	-25.00%	\$ (5,000)
League Office Lease Payment	\$ 27,000	\$ -	\$ -		\$ -
Depreciation	\$ 14,063	\$ -	\$ -		\$ -
<b>Operating &amp; Program Exp. Subtotal</b>	<b>\$ 1,202,232</b>	<b>\$ 1,404,000</b>	<b>\$ 1,333,000</b>	<b>-5.06%</b>	<b>\$ (71,000)</b>

EXPENSES	FY 2019 ACTUAL	FY 2020 AMENDED BUDGET	FY 2021 TENTATIVE BUDGET	% Change	Amount Change
<b>Grants &amp; Special Projects</b>					
Special Project-LUAU	\$ 13,695	\$ 15,000	\$ 15,000	0.00%	\$ -
Tax Book & Resources		\$ 12,000	\$ 10,000	-16.67%	\$ (2,000)
Essay Contest Expenses	\$ 5,000	\$ 5,000	\$ 3,000	-40.00%	\$ (2,000)
Website Redesign	\$ -	\$ 80,000	\$ 20,000	-75.00%	\$ (60,000)
Special Project-Making Life Better	\$ -	\$ -	\$ -		
Special Projects-IHC Wellness	\$ 278,000	\$ -	\$ -		
<i>Special Projects- Organization Modernization</i>	\$ -	\$ -	\$ 100,000		\$ 100,000
<b>Grants &amp; Special Projects Subtotal</b>	<b>\$ 296,695</b>	<b>\$ 112,000</b>	<b>\$ 148,000</b>	<b>32.14%</b>	<b>\$ 36,000</b>
<b>Miscellaneous</b>					
Miscellaneous	\$ 4,571	\$ 1,000	\$ 1,000	0.00%	\$ -
Transfer to Fund Balance	\$ -	\$ -	\$ -		
Contingency Reserve	\$ -	\$ -	\$ -		
<b>Miscellaneous Subtotal</b>	<b>\$ 4,571</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>0.00%</b>	<b>\$ -</b>
<b>Capital</b>					
Capital Outlay		\$ 10,000	\$ 10,000	0.00%	\$ -
Capital Improvements - Office remodel	\$ -	\$ -	\$ -		
<b>Capital Subtotal</b>	<b>\$ -</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>0.00%</b>	<b>\$ -</b>
<b>TOTAL EXPENSES</b>	<b>\$ 3,060,448</b>	<b>\$ 2,894,000</b>	<b>\$ 2,912,500</b>	<b>0.64%</b>	<b>\$ 18,500</b>
<b>TOTAL ALL REVENUES</b>	<b>\$ 3,137,396</b>	<b>\$ 2,894,000</b>	<b>\$ 2,912,500</b>	<b>0.64%</b>	<b>\$ 18,500</b>
<b>REVENUES (Under) Over EXPENSES</b>	<b>\$ 76,948</b>	<b>\$ -</b>	<b>\$ -</b>		

**Bill Summary**  
**Health and Economic Recovery Omnibus Emergency Solutions Act (HEROES Act)**

**Local government relief fund**

- The bill provides \$375 billion to be split 50/50 between counties and local cities.
- The local government portion is allocated as follows:
  - Entitlement cities
    - \$131,250 billion is allocated to entitlement cities.
    - \$87,5 billion of the overall allocation to entitlement cities is paid within 30 days of enactment of the bill.
    - \$43,750 billion is paid not earlier than April 15, 2021, but not later than May 3, 2021.
  - Nonentitlement areas
    - \$56,250 billion is be allocated to states so the money can be passed through to nonentitlement areas of a state.
    - Two-third of the allocation for nonentitlement areas are distributed within 30 days of the bill's passage.
    - The remainder of the fund shall be disbursed between April 15, 2021, but not later than May 3, 2021.
    - If the state does not pay the applicable amount to nonentitlement areas, the Treasury shall pay the applicable amounts.

**Water**

- Regarding utility shutoffs: Requires states and utilities receiving federal emergency funds to adopt or maintain policies to prevent shutoffs and ensure safety and continuity of home energy and water services to residential customers during the COVID-19 public health emergency.
- \$1.5 billion for low-income for drinking water and wastewater assistance

**Broadband/Connectivity**

- A \$8.8 billion Emergency Broadband Connectivity Fund
- Additional \$5 billion for the E-Rate Program for schools and libraries to provide internet service, including take-home devices like routers, wi-fi hotspots, and laptops for students and teachers
- \$50 benefit for most households with a laid off or furloughed member to use for internet service for the duration of the emergency
- Lifeline program changes – requires participating Lifeline providers to make unlimited minutes and unlimited data available to Lifeline subscribers
- Telecommunications provider restrictions - Prohibits broadband and telephone service disconnection or late fees due to financial hardship caused by the pandemic emergency. Also prohibits broadband providers from instituting data caps or overage fees, and requires them to open wi-fi hotspots to the public for the duration of the emergency.
- T-Band – Repeals the requirement to reallocate and auction the T-Band public safety spectrum.

- National Suicide Hotline – Designates 9-8-8 as the universal code for the National Suicide Prevention Lifeline and requires some reporting from the FCC and HHS on the hotline.

### **Public Safety**

- \$100 million for Violence Against Women Act (VAWA) programs, including \$30 million for grants to combat violence against women, \$15 million for transitional housing assistance grants, \$15 million for sexual assault victims assistance, \$10 million for rural domestic violence and child abuse enforcement assistance, \$10 million for legal assistance for victims, \$4 million for assistance to tribal governments, and \$16 million to support families in the justice system.
- \$300 million for Byrne Justice Assistance Grants to help prevent, prepare for, and respond to coronavirus, including for purchasing personal protective equipment and controlling outbreaks of coronavirus at prisons, with waivers of the local match and non-supplanting requirements.
- \$300 million for Community Oriented Policing Services (COPS) for law enforcement hiring grants and for the purchase of personal protective equipment, with waivers of the local match and non-supplanting requirements.
- \$250 million for Second Chance Act grants for grants to help facilitate the reintegration of ex-prisoners back into society and to prevent recidivism.
- \$500 million for Assistance to Firefighter Grants (AFG) and \$500 million for Staffing for Adequate Fire and Emergency Response (SAFER) grants. For AFG and SAFER, waives cost sharing requirements for cash-strapped fire departments and waives certain other program requirements in order to help expedite grant awards.

### **Disaster Assistance**

- \$1.3 billion for Federal Emergency Management Agency to prevent, prepare for, and respond to coronavirus, including \$200 million for the Emergency Food and Shelter Program.
- \$100 million for Emergency Management Performance Grants (EMPG).

### **Tax Provisions**

- Removes the exclusion disallowing the paid sick and family leave credits enacted in the Families First Coronavirus Response Act for Federal, state, and local governments. It makes conforming changes to the definition of qualified wages to align the credit with the intent that the credit cover the leave required by the respective mandates. This provision is effective as if included in FFCRA.

### **Transportation**

- \$15 billion for **transportation** grants to support the ongoing work of State, Tribal, and Territorial Departments of Transportation and certain local governments to mitigate the effects of coronavirus including the salaries of staff and other administrative expenses.
- \$15.75 billion for **transit** operating assistance grants to support the transit agencies that require significant additional assistance to maintain basic transit services. Of these amounts \$11.75 billion will be distributed by formula and \$4 billion will be available to any grantee or subrecipient by application to the Secretary.

- \$75 million for **aviation** for additional janitorial services at air traffic control towers and other FAA facilities; hazard pay, and overtime pay to prevent, prepare for, and respond to coronavirus; and a study on mitigating pathogens in airliner cabin air.

# THE HEROES ACT

A Bold Response to the Coronavirus Pandemic and the Economic Collapse



## State and Local Coronavirus Relief Funds

*The Heroes Act creates new State and Local Coronavirus Relief Funds through the Department of the Treasury to help first responders, frontline health workers, transit employees, teachers, and other workers providing vital services. Funds can be used for COVID-related expenses, to replace foregone revenues not projected on January 31, 2020, or to respond to negative economic impacts of COVID. Funds are available until expended, providing flexibility over the next several years.*

### States – \$500 billion

- \$250 billion awarded within 30 days of enactment to the 50 states and DC
  - \$51 billion divided equally among 50 states and DC
  - \$49 billion awarded based on the state's share of COVID cases
  - \$150 billion awarded based on the state's share of population
- \$250 billion awarded by May 3, 2021 to the 50 states and DC
  - \$51 billion divided equally among 50 states and DC
  - \$199 billion based on the state's share of unemployed individuals

### Local governments – \$375 billion

- \$250 billion awarded within 30 days of enactment to all municipalities and counties
  - \$125 billion to municipalities using a modified CDBG formula
    - \$87.5 billion to entitlement municipalities (generally defined as those with populations of at least 50,000)
    - \$37.5 billion to non-entitlement municipalities (generally defined as those with populations of less than 50,000). These funds will be awarded to states, which must make awards to non-entitlement cities based solely on population within 30 days of receipt.
  - \$125 billion to counties based on population
- \$125 billion awarded one year after the date of enactment to all municipalities and counties
  - \$62.5 billion to municipalities using a modified CDBG formula
    - \$43.75 billion to entitlement municipalities (generally defined as those with populations of at least 50,000)
    - \$18.75 billion to non-entitlement municipalities (generally defined as those with populations of less than 50,000). These funds will be awarded to states, which must make awards to non-entitlement cities based solely on population within 30 days of receipt.
  - \$62.5 billion to counties based on population

# THE HEROES ACT

A Bold Response to the Coronavirus Pandemic and the Economic Collapse



## **Territories – \$20 billion**

- \$10 billion divided equally among the five territories within 30 days of enactment
- \$10 billion awarded based on the territory's share of population within 30 days of enactment

## **Tribes – \$20 billion**

- Entire amount awarded within 30 days of enactment, based on the share of increased aggregate expenditures of each tribal government

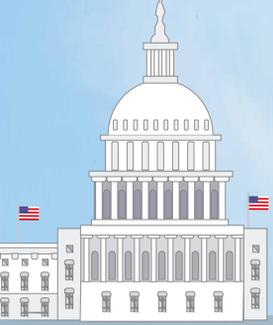
## **Oversight – \$35 million for the Treasury Office of the Inspector General**

## **Improvements to the CARES Act Coronavirus Relief Fund:**

- Makes the District of Columbia whole by increasing its award so that it is treated as a state, not a territory
- Clarifies that only federally recognized tribal governments are eligible for payments in CARES and the HEROES Act
- Expands the use of funds to cover lost, delayed, or decreased revenue stemming from the COVID public health emergency

## AMERICA'S CITIES NEED AID NOW

LOCAL GOVERNMENTS HAVE BEEN SUPPORTING THEIR RESIDENTS THROUGH THIS PANDEMIC:



It's time the federal government supported our local leaders.



Municipalities need federal aid now.

**70%** of Americans

believe the federal government is **directly responsible** for helping local governments recover from the coronavirus pandemic

SUPPORT FOR FEDERAL AID TO LOCAL GOVERNMENTS IS BIPARTISAN, NATIONAL AND SPANS DEMOGRAPHICS.

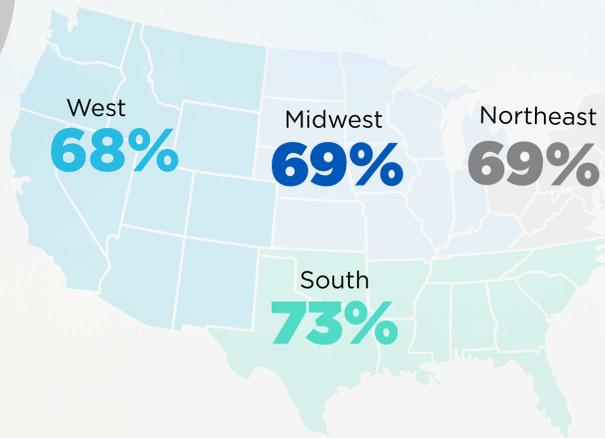
AFFILIATION:	REPUBLICAN	DEMOCRAT	INDEPENDENT
	<b>72%</b>	<b>71%</b>	<b>68%</b>
AGE:			
	MILLENNIAL <b>66%</b>	GEN X <b>73%</b>	BOOMERS <b>73%</b>

**88%** of Americans are concerned that coronavirus is going to drastically affect their local economy

Americans agree.



REGION: West **68%** Midwest **69%** Northeast **69%**



Nearly 100% of cities with **populations above 50,000** will see a revenue decline this year.

Not only are Americans worried about the economy:

**45%**

are concerned that this pandemic will directly impact their jobs.



Between **300,000 and 1 million** public-sector workers could be laid off or furloughed



More Americans agree the way their local government is handling the spread of COVID-19 is better than how Congress is.

### APPROVE OF LOCAL GOVERNMENT

**73%**  
Registered voters

**77%**  
Republican

**73%**  
Democrat

**68%**  
Independent

### APPROVE OF CONGRESS' HANDLING

**49%**  
Registered voters

**54%**  
Republican

**50%**  
Democrat

**40%**  
Independent

*Methodology:* This data is based off review of census and municipal salary data, and secondary research from the National League of Cities that extrapolated public statements, records and news articles on municipal layoffs and furloughs.

*Methodology:* A total of 2,463 cities, towns and villages responded to the survey, with final responses received on April 7, 2020. 2,191 of the cities are under 50,000 population; 181 are between 50,000 and 199,999; 56 are between 200,000 and 499,999; and 35 have a population of 500,000 and above -- a group that includes 19 of the nation's 20 largest cities. The survey cities represent 57% of the nation's municipal finance sector and 10% of its municipal governments. Their population totals 93,015,252, which is 28% of total U.S. population.

*\*SURVEY DATA BY MORNING CONSULT*

*Methodology:* This poll was conducted between April 24-April 26, 2020 among a national sample of 1984 Registered Voters. The interviews were conducted online and the data were weighted to approximate a target sample of Registered Voters based on age, educational attainment, gender, race, and region. Results from the full survey have a margin of error of plus or minus 2 percentage points.

*\*\*SURVEY DATA BY MORNING CONSULT + POLITICO*

*Methodology:* This poll was conducted between April 24-April 26, 2020 among a national sample of 1991 Registered Voters. The interviews were conducted online and the data were weighted to approximate a target sample of Registered Voters based on age, educational attainment, gender, race, and region. Results from the full survey have a margin of error of plus or minus 2 percentage points.

<https://morningconsult.com/2020/04/29/coronavirus-funding-poll-state-local-governments/>

## **Proposed Distribution Method for CARES Act Local Relief Funds**

Prepared by the Utah League of Cities and Towns (ULCT) and Utah Association of Counties (UAC)

May 14, 2020

Contact:

ULCT's Wayne Bradshaw at [wbradshaw@ulct.org](mailto:wbradshaw@ulct.org)

UAC's Lincoln Shurtz at [lincoln@uacnet.org](mailto:lincoln@uacnet.org).

### **I) Overview:**

On March 27, 2020 President Trump signed the [Coronavirus Aid, Relief and Economic Security \(CARES\) Act](#), which provided \$1.25 billion to the State of Utah. The legislation allows up to 45% or \$562 million of the overall amount to be shared with local governments. Of the \$562 million, Salt Lake County received a direct allocation of \$203 million and Utah County received an \$111 million allocation solely based on their population exceeding a threshold of 500,000 people. This leaves \$246 million for the State to allocate to local governments to non budgeted "necessary expenditures" directly related COVID19.

The U.S. Treasury Department recently issued guidance and FAQs clarifying that medical, public health, payroll for employees dedicated to COVID19 management, compliance costs, and economic support and revitalization are all allowable expenses for CARES Act funds. Funds cannot cover lost revenue, budget shortfalls, damages, payroll (for employees not dedicated to COVID19), severance pay, or workforce bonuses (some exceptions).

### **II) Policy objectives of ULCT and UAC:**

- Collaboration between cities and counties
- Compliance with federal law
- Simple formula with predictable outcomes
- Equitable formula and allocation set aside for all residents and for all cities, towns, and counties
- Allocation provided or available to every city, town, and county for "necessary expenditures"
- Flexibility to address hot-spots and other needs
- Maximization of the full 45%
- Fit the timing of the budget cycle (municipal budget ends June 30, County budgets end December 31)

### **III) Consensus: State Distribution**

The Utah League of Cities and Towns and the Utah Association of Counties are recommending distribution to the remaining 27 counties who did not receive a direct appropriation, and to the cities and towns in those counties, through a population-based distribution model. Funding would be dispersed in three tranches with the first tranche in June. The remaining two distributions would go out later in the summer and the fall.

For those counties the ULCT and UAC recommend population as the distribution tool to mirror the federal government's distribution method of \$562 million . In Salt Lake and Utah Counties, those two counties received the full value of \$175 per resident. The same value of \$175 a resident will be used for the remaining 27 counties to distribute the remaining \$246 million. If a resident lives in a city or town, half of the \$175 (\$87.50) will go to the city or town and the remaining half (\$87.50) will go to the county government. For residents living in unincorporated portions of a county, the full \$175 will go to the county.

For example, a resident living in Layton would count for \$87.50 allocated to Layton City and \$87.50 allocated to Davis County. A resident living in unincorporated Davis County would count for \$175 for Davis County.

For the State's \$246 million, allocation for each municipality will be divided into three tranches. The first allocation will be sent as early as June to each county and city/town to cover expenses dated back to March 1st and any ongoing expenses covered under the CARES Act and Treasury guidance. The remaining two tranches will also be distributed based on population, unless it is determined in the future that changes need to be made to the formula according to "hot spots" or other needs, recognizing that we should strive for highest and best use of limited dollars.

#### **IV) Consensus: Initial Distribution by and within Utah/Salt Lake Counties**

Due to uncertainty surrounding future local aid from the federal government Utah and Salt Lake Counties have expressed concern with long-term commitments with the frequently changing federal funding environment. They have, however, agreed and committed to provide funding from their direct federal allocation to cities and towns within their jurisdictions with the same timing as the first statewide tranche . Salt Lake and Utah Counties will set aside an amount equal to what would otherwise be distributed based on one-third of the population allocation, this is the equivalent of the same population based formula used for all other jurisdictions in their first tranche of funding. They will then work collaboratively with their cities to cover all direct COVID related costs.

Additional distributions, similar to the state tranches two and three, will require discussion once we have some actual data to evaluate how best to distribute future funds. The formula may be revisited during the year, similar to what the state contemplates above, after we review the efficacy of the first set-aside.

While there is consensus on the aggregate amount that will be set aside for the county allocation--the equivalent to  $\frac{1}{3}$  of the population value of the cities within the counties--the two counties and their cities are still working on a mechanism to equitably distribute the funds.

#### **V) Consensus: accountability for use of funds**

Counties, cities, and towns will be expected to indemnify the State in order to receive their state-based allocation. They also will be required to repay any funds not used according to federal legislation and guidance. ULCT and UAC support this type of accountability.

For the state-based distribution, ULCT and UAC prefer a model that mirrors the federal system: allocate the money based on population with guidance accompanied by an auditing provision but not require the state to approve each expense up front. The State of Utah has suggested a regular reporting requirement, perhaps similar to the model of the American Recovery and Reinvestment Act of 2009 (ARRA), to verify how the local recipient spent the money.

Salt Lake and Utah Counties, as a direct recipient of federal funds, must act as a fiduciary for all funds it has received. As such, those counties will also require indemnification and eligibility compliance before disbursement of funds to their respective jurisdictional cities and towns. They have not yet determined how best to distribute funds to ensure federal compliance, while also balancing city concerns regarding the potential of a burdensome reimbursement model. The counties will continue to work with their cities to strike an appropriate balance.

**VI) Further considerations and where we are still working to find consensus:**

- 1) With the federal funding picture still unclear, we would suggest that all future distributions take into account any future distribution from Congress.
- 2) We will need to utilize the distribution and reimbursement data from the 1st tranche to inform potential changes to the distribution formula for the 2nd and 3rd tranches. We will also need to analyze the data in Salt Lake County and Utah County for purposes of future distributions to cities therein.
- 3) The State of Utah could use the \$246 million pot as a backstop to equalize distribution for all cities, towns, and counties, including the cities within Salt Lake and Utah Counties under certain circumstances.
  - a) Note: there are two policy questions of equity here. First, there is the equity of valuing a resident equally. Second, there is equity among political subdivisions. We accomplish both objectives in the first tranche, and will collectively strive to find an equitable distribution for all future distributions.
  - b) In addition to the equity arguments outlined above, we should consider need and impact. Park City and Richfield have similar populations but have faced radically different impacts from COVID-19. Potentially re-visiting the formula for the second and third tranches allows the flexibility to shift resources to areas of highest need.
- 4) What will the impact be on the CARES Act distribution from potential additional federal investment in the State of Utah and local governments?
- 5) What kind of reporting to the State of Utah, Salt Lake County, and Utah County makes sense, matches the Treasury Department guidance and process, and is manageable for the remaining counties, cities, and towns?
- 6) What recourse will the State, Salt Lake or Utah County have as fiduciaries, if funds are not spent in accordance with federal guidelines? Should the State, Salt Lake County,

and Utah County act as a “gatekeeper” or as an auditor? Should the recourse provisions be known and memorialized?

- 7) What level of mandatory coordination should exist to avoid significant redundancy between governments but allows for local decisions that are consistent with Treasury guidance?
- 8) How does a county, city, or town return unused funds to the State of Utah and to the two counties by November so that the state and counties can reallocate funds to localities with higher demand before the December 30th deadline?

# The Salt Lake Tribune

## Utah cities and counties to seek up to \$70 million from Legislature to cover plummeting fuel tax revenue



(Francisco Kjolseth | Tribune file photo) This May 1, 2019, file photo shows crews starting to build a storage facility near 5600 West and the S.R. 201 as part of the Utah Department of Transportation's top construction project which will link the Mountain View Corridor from 4100 South to S.R. 201. The \$335 million four-mile project, includes four lanes (two in each direction) and 13 new bridges. State and local road projects have been threatened by a big drop in motor fuel taxes during the coronavirus restrictions.



By Lee Davidson

Published: 2 days ago

• Updated: 2 days ago

Utah's cities and towns plan to ask the Legislature for \$60 million to \$70 million to help make up for motor fuel taxes lost during coronavirus restrictions. They say it is needed to keep local road projects on schedule.

They will seek adding that amount to bonds, or loans, the state is considering to keep its own highway projects moving, said Lincoln Shurtz, director of government affairs for the Utah Association of Counties.

He outlined those plans during a meeting Tuesday of the Joint Highway Committee, a group of city and county officials that advises the Utah Transportation Commission — and said local governments will negotiate with lawmakers about whether the money

sought should be a grant or repayable loan.

“We’re anticipating somewhere between a 25% and 35% decrease” in the share of motor fuel taxes collected by the state that go to cities and towns, Shurtz said.



(Francisco Kjolseth | Tribune file photo) In this January 2017 file photo, Lincoln Shurtz with the Utah Association of Counties testifies before a legislative committee about 'alcopop' at the state Capitol in Salt Lake City in January 2017.

The Utah Department of Transportation earlier reported that during weeks of stay-at-home restrictions, travel on freeways statewide dropped to about 60% of normal — but has recently returned to near-normal levels as restrictions eased.

The Utah State Tax Commission reported Monday that motor fuel taxes in March, when stay-at-home restrictions came in the middle of the month, were down by 13%. Receipts are expected to be down more sharply in April, when stay-at-home directives were in place all month.

“The state Legislature is going to be doing the bonding package to keep its construction on schedule,” Shurtz said. Also, bonding could allow shifting some sales tax from transportation to other needs by replacing it with bond proceeds.

So counties and cities “are drafting a letter suggesting that they [legislators] should add to that roughly \$60 million to \$70 million” to cover local fuel tax losses and also help them keep city and county projects going, Shurtz said.

Cameron Diehl, executive director of the Utah League of Cities and Towns, said cities and counties will also seek help in Congress as it begins working on another possible relief package. He said they have been discussing it with the state's congressional delegation.

"We've told them that a fourth stimulus needs to include additional revenue for state and local governments, but with more flexibility on how those funds can be spent," he said, noting rules so far have not allowed this aid to be used on local road projects.

Shurtz said counties and cities are arguing that the sought-for relief would help fund "construction jobs important to the economy, kind of helping us come out of this recession."

Local officials also argue that keeping road maintenance and improvement projects on track saves money in the long run by avoiding deterioration that costs even more to repair later.



ldavidson@sltrib.com

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May 12, 2020

The Honorable Gary Herbert  
Governor of the State of Utah  
350 S. State Street  
Salt Lake City, UT 84103

The Honorable Stuart Adams  
President of the Utah Senate  
350 S. State Street  
Salt Lake City, UT 84103

The Honorable Brad Wilson  
Speaker of the Utah House of Representatives  
350 S. State Street  
Salt Lake City, UT 84103

RE: Transportation Funding and the B&C Road Allocation

Governor Herbert, President Adams and Speaker Wilson:

First, thank you for your leadership during this unprecedented crisis that is facing the nation. We have appreciated the collaborative approach that has been taken between the state, counties, cities, and the business community. Like you, as state and local leaders, we are working diligently to ensure the fiscal conditions of our counties and cities are maintained, to the greatest extent possible, in the unforeseen economic dip that we are all experiencing. As you know, the legislature has not afforded local government the same revenue flexibility as the state, placing statutory restrictions on local governments' ability to amass rainy day funds or ability to leverage new revenue sources in an effort to maintain critical services during this time.

One of the areas where we are experiencing the largest impact is our ability to maintain and operate our transportation infrastructure. Like the state, local governments are dependent upon motor fuel tax receipts in order to pay for our transportation infrastructure. As we enter the construction season, we are quite concerned that the anticipated motor fuel tax receipts will not be adequate to meet the basic maintenance needs in our communities, let alone continue our planned capital improvements. With automobile travel down approximately 40% due to COVID-19, we are anticipating a corresponding reduction in motor fuel tax receipts, which will decimate many of our local efforts to maintain and improve local road networks. The reduction in motor fuel taxes is compounded by the reduction in sales taxes at all levels. Today, Utah's local governments own and maintain nearly 36,000 miles of road, accounting for approximately 75% of all lane miles in Utah. Without adequate motor fuel tax receipts, nearly all jurisdictions will be faced with reducing maintenance efforts, potentially delaying capital projects, and cutting critical construction-based workforce.

The Utah Department of Transportation and Utah's Metropolitan Planning Organizations (MPOs) estimate that deferred maintenance can result in over 10x increase in cost for future repairs or reconstruction of the same piece of infrastructure. Couple the increased cost of deferred maintenance, with the loss in workforce that is supported with the local portion of motor fuel tax, and we are concerned

about the long-term and compounding consequences of this pandemic – on local governments and the Utah economy as a whole.

Many cities and counties are anticipating deferring capital improvement projects in light of revenue declines and the need to focus their revenues on continuation of essential services (police, fire, health care, etc.). This will have a negative economic impact as construction jobs will be idled or lost. And the inverse is also true: continuing to invest in planned capital improvement projects – at the state and local level – is a great way to continue economic activity in Utah.

While we all would prefer to “pay as we go” for infrastructure needs, this unprecedented pandemic will require an unprecedented collaborative effort to address diminished revenue. With that being said, we are seeking a partnership with the state to address this need. We would ask that the executive and legislative branch work with us, as local partners, to consider approaches – including the potential for statewide bonding – in the area of transportation infrastructure that would be used to backfill the loss in motor fuel tax that is being experienced by the state and in the local B&C transportation allocation. This would be used exclusively to carryout existing maintenance and operational needs and make capital improvements related to the local transportation network. Not only will this help ensure critical employment for contractors in many areas of the state, but would also help ensure that the cost of deferred maintenance does not further compound the impacts of the COVID19 pandemic. Our intention is not to negatively impact current or future state transportation projects or revenues, which are essential to continue for Utah’s mobility and economy, but rather to provide assistance to local governments so their capital investment programs can also be sustained.

Recognizing that additional special sessions are likely, we want to collaborate with state leaders and other stakeholders to seek to come up with plans to keep existing projects “funded” and the work scheduled for this construction season. Please let us know if you are interested in and support this approach. We look forward to the collaboration. Thank you again for all you are doing for our great state.

Appreciatively,

Brandy Grace, CEO  
Utah Association of Counties

Cameron Diehl, Executive Director  
Utah League of Cities and Towns

Andrew Gruber, Executive Director  
Wasatch Front Regional Council  
Governments

Andrew Jackson, Executive Director  
Mountainland Association of

**VIA EMAIL**

April 24, 2020

Board of the Utah League of Cities and Towns  
50 600 E #150  
Salt Lake City, UT 84102

Dear Board Members:

Thank you for your service and the extra effort each one of you is currently contributing to address the myriad of issues raised by COVID-19 and the effects related thereto. We recognize that municipalities are suffering many of the same economic consequences that we are feeling in the private sector. It is with that awareness that we write on behalf of the Property Rights Coalition to invite a discussion of how to facilitate large system and infrastructure improvements considering the anticipated restricted cash flows in both the private and public sectors.

Large infrastructure projects are always crucial to providing employment, stimulating the economy, and ensuring our infrastructure systems continue to function as we manage our growth smartly. With the significant economic contraction we have already seen in just a few weeks, and a likely long and slow recovery ahead, we are concerned that if neither the development community or local government can fund system-wide infrastructure projects as a result of the collective need to focus our scarce resources to shorter term priorities, many of these critical projects will be derailed at a time they will be most beneficial to everyone, and will make it only that much harder to catch back up when the impacts of the pandemic begin to recede.

We believe that one possible solution is to expand the availability of public infrastructure districts to facilitate the funding of these projects right now. We have attached some proposed statutory changes that would expand the availability of PIDs while providing political cover for elected officials whose constituents may oppose the concept of a PID. We also invite the League to propose any additional solutions that may address this issue.

Thank you in advance for your collaboration on this important matter.

Sincerely,

UTAH PROPERTY RIGHTS COALITION

Christopher P. Gamvroulas, President  
Ivory Development

William O. Perry, IV, Vice President and General Counsel  
Perry Homes

Ty McCutcheon, President and CEO  
Daybreak Communities

#### **17B-2a-1204. Creation.**

- (1) In addition to the provisions regarding creation of a local district in [Chapter 1, Provisions Applicable to All Local Districts](#), a public infrastructure district may not be created unless:
  - (a) if there are any registered voters within the applicable area, a petition is filed with the creating entity that contains the signatures of 100% of registered voters within the applicable area approving the creation of the public infrastructure district; and
  - (b) a petition is filed with the creating entity that contains the signatures of 100% of surface property owners within the applicable area consenting to the creation of the public infrastructure district.
- (2) The election requirement of Section [17B-1-214](#) does not apply to a petition meeting the requirements of Subsection [\(1\)](#).
- (3) (a) Notwithstanding [Chapter 1, Part 4, Annexation](#), an area outside of the boundaries of a public infrastructure district may be annexed into the public infrastructure district after:
  - (i) adoption of resolutions of the board and the creating entity, each approving of the annexation;
  - (ii) if there are any registered voters within the area proposed to be annexed, a petition is filed with the creating entity that contains the signatures of 100% of registered voters within the area and approves of the annexation into the public infrastructure district; and
  - (iii) a petition is filed with the creating entity that contains the signatures of 100% of surface property owners within the area proposed to be annexed and consents to the annexation into the public infrastructure district.
- (b) Upon meeting the requirements of Subsection [\(3\)\(a\)](#), the board shall comply with the resolution and filing requirements of Subsections [17B-1-414\(1\)](#) and [\(2\)](#).
- (c) (i) Notwithstanding [Chapter 1, Part 5, Withdrawal](#), property may be withdrawn from a public infrastructure district after:
  - (A) adoption of resolutions of the board and the creating entity, each approving of the annexation;
  - (B) if there are any registered voters within the area proposed to be withdrawn, a petition is filed with the creating entity that contains the signatures of 100% of registered voters within the area and approves of the withdrawal from the public infrastructure district; and
  - (C) a petition is filed with the creating entity that contains the signatures of 100% of surface property owners within the area proposed to be withdrawn and consents to the withdrawal from the public infrastructure district.
- (ii) If any bonds that the public infrastructure district issues are allocable to the area to be withdrawn remain unpaid at the time of the proposed withdrawal, the property remains subject to any taxes, fees, or assessments that the public infrastructure district imposes until the bonds or any associated refunding bonds are paid.

- (d) Upon meeting the requirements of Subsection [\(3\)\(c\)](#), the board shall comply with the requirements of Section [17B-1-512](#).
- (4) The creating entity may impose limitations on the powers of the public infrastructure district through the governing document unless the public infrastructure district's proposed mill rate is four mills or less.
- (5) (a) A public infrastructure district is separate and distinct from the creating entity.
- (b) (i) Except as provided in Subsection [\(5\)\(b\)\(ii\)](#), any financial burden of a public infrastructure district:
- (A) is borne solely by the public infrastructure district; and
  - (B) is not borne by the creating entity or any municipality, county, the state, or any other political subdivision.
- (ii) Notwithstanding Subsection [\(5\)\(b\)\(i\)](#) and Section [17B-1-216](#), the governing document may require:
- (A) the district applicant to bear the initial costs of the public infrastructure district; and
  - (B) the public infrastructure district to reimburse the district applicant for the initial costs the creating entity bears.
- (c) Any liability, judgment, or claim against a public infrastructure district:
- (i) is the sole responsibility of the public infrastructure district; and
  - (ii) does not constitute a liability, judgment, or claim against the creating entity, the state, or any municipality, county, or other political subdivision.
- (d) (i) (A) The public infrastructure district solely bears the responsibility of any collection, enforcement, or foreclosure proceeding with regard to any tax, fee, or assessment the public infrastructure district imposes.
- (B) The creating entity does not bear the responsibility described in Subsection [\(5\)\(d\)\(i\)\(A\)](#).
- (ii) A public infrastructure district, and not the creating entity, shall undertake the enforcement responsibility described in, as applicable, Subsection [\(5\)\(d\)\(i\)](#) in accordance with [Title 59, Chapter 2, Property Tax Act](#), or [Title 11, Chapter 42, Assessment Area Act](#).
- (6) The creating entity may establish criteria in determining whether to approve or disapprove of the creation of a public infrastructure district, including:
- (a) historical performance of the district applicant;
  - (b) compliance with the creating entity's master plan;
  - (c) credit worthiness of the district applicant;
  - (d) plan of finance of the public infrastructure district; and
  - (e) proposed development within the public infrastructure district.

- (7) Notwithstanding the foregoing, a creating entity cannot disapprove of the creation of a public infrastructure district if the public infrastructure district's proposed mill rate is four mills or less.
- (8) If a proposed public infrastructure district's proposed mill rate is greater than four mills:
- (a) The creation of a public infrastructure district is subject to the sole discretion of the creating entity responsible for approving or rejecting the creation of the public infrastructure district.
  - (b) The proposed creating entity bears no liability for rejecting the proposed creation of a public infrastructure district.

# Inland port litigation: district court decision

State Constitution's ripper clause: *The Legislature shall not **delegate** to any **special commission**, private corporation or association, any power to make, supervise or interfere with any municipal improvement, money, property or effects, whether held in trust or otherwise, to levy taxes, to select a capitol site, or to perform any **municipal functions**.*

Jan. 8: District court held for the state and against SLC on all points:

- 1) Ripper clause
  - a) Delegation
  - b) Municipal function
  - c) Definition of special commission
- 2) Municipal monies
- 3) Cities by "special law"
- 4) Uniform operation of laws

# Inland port litigation: district court decision

- 1) *“sufficiently infused with a state purpose so as not to run afoul of ripper”*
- State interest because:
  - Local gov’t could impede development, state would streamline process, statewide economic benefit, need for consistent zoning
  - LUDMA is state authority delegated but not surrendered to locals
- 3 part test: i) state v. local ability, ii) impact outside of SLC, iii) intrusive to city

# Inland port litigation: district court decision

## 2) Municipal monies

- \$360 million in property tax plus point of sale for sales tax
- Legislature specifically mandated the power, but did not delegate the power
- State can divert taxes

## 3) Quasi-city

- Inland port authority is a political subdivision

## 4) Uniform application of law

- Ok to treat SLC differently than Provo because SLC is inside the authority & Provo is not

# Transportation Utility Fee litigation

Jan 22: oral argument was favorable to Pleasant Grove

Key precedent, *Jordan School District v. Sandy City*: “city’s decision regarding the structure, operation, and funding of its storm sewer system are entitled to deference. We generally give latitude to local governments in creating solutions to problems.”

Libertas: fee v. tax; truth-in-taxation process

District Court to parties: decision in 2-4 weeks

Libertas to court: bill coming to ban TUFs

ULCT: met w/city reps who have TUFs and working on strategy



# Litigation meets legislation

## Inland port:

- Appeal the District court decision?
- New IP Director wants to find common ground
- ULCT 2018 letters & SLC dialogue around land use, property tax increment, board representation
- Impact on hub & spoke cities
- Impact on other state “authorities”

## TUF:

- 13 cities now with the fee
- Some legislators support fee but want more guardrails
  - I.e. study, public outreach, limited payers, etc.
- Potential opponents
  - LDS Church, Intermountain, Taxpayers Assoc.
- Political timing (tax reform, case)