



**Report of the Meeting
of the
Board of Trustees of the Utah Transit Authority (UTA)
held at UTA FrontLines Headquarters located at
669 West 200 South, Salt Lake City, Utah
February 22, 2017**

Board Members Present:

Robert McKinley, Chair

Sherrie Hall Everett, Vice Chair

Jeff Acerson

Cortland Ashton

Keith Bartholomew

Gregory Bell

Necia Christensen

Karen Cronin

Babs De Lay

Charles Henderson

Dannie McConkie

Bret Millburn

Michael Romero

Brent Taylor

Troy Walker

Board Members Excused/Not in Attendance: Jeff Hawker

Also attending were members of UTA staff, as well as interested citizens and media representatives.

Welcome and Call to Order. Chair McKinley welcomed attendees and called the meeting to order at 1:35 p.m. with thirteen voting board members present. The board and meeting attendees then recited the Pledge of Allegiance.

Safety Minute. Chair McKinley yielded the floor to Dave Goeres, UTA Chief Safety, Security & Technology Officer, for a brief safety message.

Swearing in of New Trustee. The oath of office was administered to Brent Taylor by Rebecca Cruz, UTA Board of Trustees Support Manager.

Following Trustee Taylor's oath of office, Chair McKinley read for the record a letter written and signed by Utah State Representatives Justin Fawson, Mike Schultz, Gage Froerer, and Utah State Auditor John Dougall regarding the appointment of Brent Taylor to the UTA board, specifically as his appointment relates to UTA's anti-nepotism policies. (Trustee Taylor's father is an employee of the Utah Transit Authority.) A copy of the letter is attached hereto.

A motion to include in the official meeting minutes the letter from Representatives Fawson, Schultz, Froerer, and Mr. Dougall as well as the two letters sent by Chair McKinley to Korry Greene as chair of the Weber Area Council of Governments regarding Trustee Taylor's appointment was made by Vice Chair Everett and seconded by Trustee Christensen. The motion carried by majority consent with twelve aye votes and one abstention from Trustee Taylor.

Trustee Ashton joined the meeting at 1:43 p.m.

Policy 4.4.1 Actual and Potential Conflicts of Interest. Vice Chair Everett asked Jayme Blakesley, UTA General Counsel, to review conflicts of interest and recusal procedures with the board. Mr. Blakesley indicated that there are two board process policies on conflicts of interest. He explained that Board Process Policy 4.1.10 requires an annual certification of board member conduct. As part of this policy, trustees are required to complete and submit two forms, Certification of Board Member Code of Conduct and Confidential Financial Disclosure Report, annually. Once submitted, the forms are then evaluated for actual or potential conflicts of interest by the general counsel and the chief of internal audit.

Mr. Blakesley then read the introductory paragraph of Board Process Policy 4.4.1 Actual and Potential Conflicts of Interest. This policy establishes a process for addressing any substantial conflicts of interest of trustees, including allowing the board executive committee to bring before a quorum of the board a recommendation to 1) require a trustee with a potential conflict to recuse himself/herself from voting on particular issues, 2) determine whether that same trustee should participate in discussions on particular matters, 3) determine whether that same trustee should leave the meeting room during discussion of specific issues, or 4) determine any other conditions or actions regarding that same trustee as the circumstances dictate. Upon recommendation of the executive committee, a quorum of the board then votes by secret ballot or otherwise to determine participation on particular issues by the trustee with the potential conflict of interest. Members of the quorum may make a motion to act on the

recommendation of the executive committee or to take another action regarding the potential conflict.

Mr. Blakesley outlined a process for determining how policies on recusal would apply to Trustee Taylor due to his father's employment with UTA. He recommended that Trustee Taylor submit the Certification of Board Member Code of Conduct and Confidential Financial Disclosure forms for review. He indicated that during the next board executive committee meeting matters will be identified from which Trustee Taylor should recuse himself to avoid actual or potential conflicts of interest. (Mr. Blakesley recommended these matters include collective bargaining, budget line items, employee compensation, benefits, and service changes). The executive committee will then present its recommendations to the full board for a vote.

Discussion ensued. Trustee Christensen expressed a desire to include in-laws and step-family relationships in Board Process Policy 4.4.1. Trustee McConkie suggested it would be best to make it a matter of practice to have potential appointees vetted for conflicts of interest by their appointing authorities prior to an appointment to UTA's board. Mr. Blakesley suggested it might be appropriate to amend the board anti-nepotism policy on the agenda for consideration today to include making formal notice to appointing authorities informing them of UTA's policies and procedures. He also suggested including language to allow UTA to exceed the ethics requirements in state law when prudent. Chair McKinley suggested that a packet including UTA's conflicts of interest policies be sent to appointing authorities near the expiration of an appointee's term. He also mentioned that some conflicts could remain unknown to UTA until the Certification of Board Member Code of Conduct and Confidential Financial Disclosure forms are submitted and reviewed. Vice Chair Everett then suggested the packet include the Certification of Board Member Code of Conduct and Confidential Financial Disclosure forms. Trustee De Lay asked that language in Board Process Policy 4.4.1 be strengthened as it relates to contractors and vendors. Chair McKinley suggested the policy be reviewed next month by the appropriate board committee.

Mr. Blakesley stated policies are preventative measures and that the ultimate responsibility for raising conflicts lies with trustees. He recommended any potential conflicts from trustees be raised with the board chair, the general counsel, and the chief of internal audit.

Trustee Taylor stated that the only reason he is on the UTA board is that he was duly appointed by his appointing authority. He then opined that he feels the board is a representative body and that he does not feel it is appropriate to require the decision of an appointing authority to be overturned when there are "reasonable controls" that can be put in place. He further opined that UTA's anti-nepotism policy refers to the hiring of relatives and does not apply to existing

employees. He said there are recusal processes outlined in state law and he fully intends to comply with them. He then reiterated that he was on the board under the “principle of representative democracy.”

Chair McKinley stated the board would like to make it absolutely clear what its policies are and will address that through the committee process. Trustee Millburn recommended comprehensively reviewing and streamlining all board policies. Trustee Walker requested that if a policy exception is to be made for Trustee Taylor, an exception be made all current trustees to allow them to be grandfathered into any new or updated anti-nepotism policy. Trustee Taylor stated he does not feel his appointment is an exception to UTA’s current anti-nepotism policy. He then read sections I and IIB from UTA’s Corporate Policy 6.1.4 Employment of Relatives (a copy of the policy is attached hereto). Trustee Taylor indicated his interpretation of the policy is that since his father was already hired at the time of his appointment, the anti-nepotism policy does not apply. He acknowledged that the policy would apply if his father were to be promoted or apply for a new position within the organization. Vice Chair Everett stated that the intent of the policy is clear, which is that the board wishes to eliminate any nepotism within the organization.

Trustee Christensen requested that Trustee Taylor introduce himself and share some personal details about his life and family. Trustee Taylor then provided some biographical information.

General Public Comment Period. In-person public comment was given by George Chapman.

President/CEO Report. Jerry Benson, UTA President/CEO, delivered his monthly report to the board which included:

- A new publication called *Rider’s Digest*
- Information from the American Public Transportation Association CEOs Seminar, including a video clip on the future of autonomous vehicles

CEO Performance Planning and Review Process.

Presentation of Item. Jerry Benson reviewed the document titled “CEO Performance Planning and Review Process” contained in the meeting packet.

Public Input. No in-person comment was given. No comment was received online.

Board Discussion and Decision/Action. Vice Chair Everett requested the draft CEO Performance Planning and Review Process document be posted on UTA’s website.

Trustee Taylor made a suggestion to live stream board meetings. Chair McKinley indicated developing a process to live stream meetings is already underway. A motion to tentatively approve the CEO performance planning and review process subject to further review in March 2017 was made by Trustee Christensen and seconded by Trustee Henderson. The motion carried by unanimous consent.

Resolution: R2017-02-01: UTA Bylaws.

Presentation of Item. Jayme Blakesley, UTA General Counsel, reviewed proposed changes to the UTA Bylaws and indicated the changes were being made to allow the board more flexibility in determining its committee structure.

Public Input. No in-person comment was given. No comments were received online.

Board Discussion and Decision/Action. A motion to approve the resolution was made by Trustee Christensen and seconded by Trustee McConkie. The motion carried by unanimous consent.

Resolution: R2017-02-02: Board Process Policy 4.1.13 Employment of Relatives.

Presentation of Item. Mr. Blakesley compared and contrasted what currently exists by way of policy on employment of relatives with the proposed policy in the resolution. He indicated passage of the proposed policy would not be applied retroactively to any currently seated trustee.

Public Input. No public comment was given on this item.

Board Discussion and Decision/Action. Vice Chair Everett suggested that staff prepare a packet of information to send to appointing authorities prior to approving this resolution and reference such a process in the policy. A motion to table the resolution and bring it back before the board after it has been reviewed in committee was made by Trustee Millburn and seconded by Trustee Henderson. Discussion ensued. Trustee Bell asked that issues related to the employment status of Trustee Taylor's father not be discussed in closed session. The motion carried by unanimous consent.

Resolution: R2017-02-03: Clearfield Property Disposition.

Presentation of Item. Robert Biles, UTA Vice President of Finance, indicated that UTA staff recommends disposing of Phase 1B of the property, which consists of 9.8 acres, at the Clearfield transit-oriented development (TOD) site.

Public Input. In-person comment was given by George Chapman. No comments were received online.

Board Discussion and Decision/Action. Action on this item was deferred until after closed session.

Resolution: R2017-02-04: South Jordan Transit-Oriented Development Property.

Presentation of Item. Robert Biles, UTA Vice President of Finance, explained a proposal to 1) trade 0.25 acres of property and acquire approximately 0.4 acres of property and to 2) dispose of an additional 0.6 acres to the joint development at market value at the South Jordan TOD site. Questions were posed by the board and answered by staff.

Public Input. No in-person comment was given. No comments were received online.

Board Discussion and Decision/Action. Action on this item was deferred until after closed session.

Resolution: R2017-02-05: Jordan Valley TOD Phase 2 Financial Plan.

Presentation of Item. Robert Biles, UTA Vice President of Finance, spoke to Resolutions R2017-02-05 and R2017-02-06 concurrently and provided a visual representation of the property.

Public Input. No in-person comment was given. No comments were received online.

Board Discussion and Decision/Action. Action on this item was deferred until after closed session.

Resolution: R2017-02-06: Jordan Valley TOD Phase 3 Financial Plan.

Presentation of Item. Robert Biles, UTA Vice President of Finance, spoke to Resolutions R2017-02-05 and R2017-02-06 concurrently and provided a visual representation of the property.

Public Input. No in-person comment was given. No comments were received online.

Board Discussion and Decision/Action. Action on this item was deferred until after closed session.

Resolution: R2017-02-07: New Committee Structure.

Presentation of Item. Vice Chair Everett presented the new committee structure as outlined in the meeting packet and indicated that all committee meetings would be scheduled on an as-needed basis and open to the public. She further indicated that Chair McKinley may revise committee assignments for Trustee Taylor.

Public Input. In-person comment was given by George Chapman. No comments were received online.

Trustee De Lay requested that Mr. Blakesley explain items the board is authorized to discuss in closed session pertaining to real estate. Vice Chair Everett requested that committee meeting packets be posted online. Trustee Taylor suggested that public comment be included on all committee agendas.

Board Discussion and Decision/Action. A motion to approve the resolution was made by Trustee De Lay and seconded by Trustee Henderson. The motion carried by unanimous consent.

Items for Consent. Consent items were comprised of the following:

- Approval of January 25, 2017 Meeting Report

A motion to approve the consent items was made by Vice Chair Everett and seconded by Trustee Romero. The motion carried by majority consent with two abstentions from Trustees De Lay and Taylor.

Closed Session. Chair McKinley indicated there were matters to be discussed in closed session relative to real property and personnel. A motion to move into closed session was made by Trustee Millburn and seconded by Trustee Walker. Trustee Bell objected to closing the session to discuss matters relative to the anti-nepotism policy, Trustee Taylor's appointment, or the employment of Trustee Taylor's father. Chair McKinley requested the motion be split.

A motion to move into closed session to discuss matters related to real property was made by Trustee De Lay and Trustee Millburn. The motion carried by unanimous consent.

Trustee Walker withdrew his second to the initial motion to go into closed session on matters relative to real property and personnel and indicated he only intended to second a motion related to real property. Chair McKinley stated that there were matters to discuss relative to personnel and litigation. A motion to move into closed session to discuss matters related to personnel and litigation was made by Trustee Walker and seconded by Trustee Bartholomew. Discussion ensued. Mr. Blakesley confirmed that the personnel and litigation matters to be discussed in closed session pertained to topics raised in Trustee Bell's objection. Trustee Bell indicated he was not persuaded that these matters were appropriate for closed session because litigation is not real or threatened. Mr. Blakesley stated that while he has no personal opinion on the matter, it would be permissible for the board to discuss the personnel and litigation items in closed session should they opt to do so because the question would be whether to invoke the anti-nepotism policy, whether that might result in the termination of an employee, and should the board choose to terminate an employee (which he noted was uncertain), there are litigation risks related to that choice that should be known by the board before it elects to take action. Trustee Bell said his understanding is that in order for a litigation topic to be appropriate for closed session, the litigation needs to be actual or threatened. Mr. Blakesley responded that in this circumstance litigation would likely be threatened. Trustee Bell replied that it would not be appropriate to discuss it in closed session until it is threatened. Chair McKinley stated that from the discussions he has had, litigation is threatened. Trustee Bell again stated that he would resist going into closed session to address personnel matters or litigation related to Trustee Taylor's father because the conversation would be about a political issue and would not relate to the employee's competence or performance. Trustee Bell said he feels the board's response on this issue should be public. Trustee Millburn asked if the issue was moot because the board voted to table the proposed anti-nepotism policy. Chair McKinley responded that the board is still bound by the existing policy. Trustee Millburn expressed support for Trustee Bell's position. Trustee De Lay requested that Trustee Taylor recuse himself from the personnel and litigation discussion. Chair McKinley said that would be appropriate. Trustee Taylor stated that he agreed with Trustee Bell's opinion that the discussion should be public. Chair McKinley told Trustee Taylor that he should not participate in the discussion. Trustee Taylor then said he should be able to participate in any discussion on what trustees should say publicly about this issue. Mr. Benson reminded the board that employment and management decisions relative to UTA personnel are in the President/CEO's purview. Chair McKinley responded that the board is responsible for its policies. Trustee Walker withdrew his motion to move into closed session to discuss personnel and litigation. No further motions

were made. The board moved into closed session at 3:32 p.m. to discuss matters related to real property.

Trustee Acerson left the meeting during closed session at 4:43 p.m.

Open Session. A motion to return to open session was made by Trustee De Lay and seconded by Trustee Romero. The motion carried by unanimous consent and the board returned to open session at 5:12 p.m.

Action Taken Regarding Matters Discussed in Closed Session.

Resolution: R2017-02-03: Clearfield Property Disposition. A motion to approve the disposition of the Phase 1B property at the Clearfield Station site on the terms and conditions discussed during closed session was made by Trustee Bartholomew and seconded by Trustee Walker. On recommendation from Mr. Blakesley, Chair McKinley asked if any of the trustees has a conflict of interest on the Clearfield property. No conflicts were raised. Trustee Millburn asked if he should recuse himself from voting on this item due to his status as a Davis County Commissioner. Mr. Blakesley replied that Trustee Millburn did not need to recuse himself. The motion carried by majority consent with one abstention from Trustee Taylor.

Resolution: R2017-02-05: Jordan Valley TOD Phase 2 Financial Plan. A motion to approve the Phase 2 financial plan for the Jordan Valley TOD site on the terms and conditions discussed during closed session was made by Trustee Bartholomew and seconded by Vice Chair Everett. Chair McKinley asked if any of the trustees has a conflict of interest on the Jordan Valley TOD property. No conflicts were raised. The motion carried by majority consent with one nay vote from Trustee De Lay two abstentions from Trustees Taylor and Henderson.

Resolution: R2017-02-06: Jordan Valley TOD Phase 3 Financial Plan. A motion to approve the Phase 3 financial plan for the Jordan Valley TOD site on the terms and conditions discussed in closed session was made by Trustee Millburn and seconded by Trustee Walker. Chair McKinley asked if any of the trustees has a conflict of interest on the Jordan Valley TOD property. No conflicts were raised. The motion carried by majority consent with one nay vote from Trustee De Lay and one abstention from Trustee Taylor.

Resolution: R2017-02-04: South Jordan Transit-Oriented Development Property. A motion to approve 1) the exchange of properties at the South Jordan Station to facilitate parking and access to the TOD site and 2) conveyance of a property interest in the former restaurant parcel to the adjacent property on the terms and conditions discussed in closed session including completion of an appraisal to ensure fair market value is achieved for both land and building, that UTA preserve access across the restaurant parcel for future expansion of the FrontRunner Station, and that construction and demolition costs associated with the transfer of the restaurant parcel to parking be borne by the purchaser was made by Trustee Bartholomew and seconded by Trustee Romero. Chair McKinley asked if any of the trustees has a conflict of interest on the South Jordan TOD property. No conflicts were raised. The motion carried by majority consent with one abstention from Trustee Taylor.

Trustee Walker left the meeting at 5:25 p.m.

Presentations/Informational Items.

2017 Risk Assessment Process. In the interest of time, Chair McKinley asked that this item be deferred.

Utah Legislative and Federal Updates. Matt Sibul, UTA Government Relations Director, Spoke about government relations items of interest including:

- Depot District bus facility appropriation
- Food and internet sales tax
- SB174 Public Transit and Governance Amendments
 - Mr. Sibul indicated a task force may be assigned to review UTA's governance structure
- Bills sponsored by Senator Karen Mayne
- Drug free zone definitions and a seatbelt exemption for paratransit assistants
- Meeting with Senator Hatch on federal appropriations and funding opportunities for the Salt Lake airport

Questions were posed by the board and answered by Mr. Sibul.

Other Business.

Board Retreat Dates. It was noted that board retreat was set for June 2-3, 2017.

Adjournment. The meeting was adjourned at 5:40 p.m. by motion.

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