



**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  
April 26, 2017**

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**Board Members Present:**

Robert McKinley, Chair

Sherrie Hall Everett, Vice Chair

Jeff Acerson

Cortland Ashton

Greg Bell

Necia Christensen

Karen Cronin

Babs De Lay

Charles Henderson

Dannie McConkie

Bret Millburn

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.

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**Welcome and Call to Order.** Chair McKinley welcomed attendees and called the meeting to order at 1:34 p.m. with ten voting board members present. The board and meeting attendees then recited the Pledge of Allegiance.

**Safety Minute.** Chair McKinley yielded the floor to Sheldon Shaw, UTA Manager of Safety, for a brief safety message.

Trustee Bell joined the meeting at 1:38 p.m.

**General Public Comment Period.** Public comment was given by Tammi Diaz and Claire Geddes.

Chair McKinley mentioned that some trustees would need to leave the meeting early and that the order of the agenda would be changed. He stated that the first item for discussion would be R2017-04-02: Clearfield Conditional Agreements.

Chair McKinley indicated that his law firm has done some work for one of the potential parties in the contemplated Clearfield transaction. He further stated that he had no personal involvement with his firm's work for that party and no financial interest in it. He recused himself from discussion and voting on the matter and asked Vice Chair Everett to assume control of the meeting.

Trustee Walker joined the meeting at 1:52 p.m.

**Resolution: R2017-04-02: Clearfield Conditional Agreements.**

**Presentation of Item.** Trustee Millburn asked if he needed to recuse himself from the discussion because of his role as a Davis County commissioner. Jayme Blakesley, UTA General Counsel, stated that he did not need to recuse himself because there is no personal benefit to him as a result of the pending transaction. Mr. Blakesley then reminded him that obligations owed to the transit authority as a trustee are not waived because of his elected office.

Mr. Blakesley delivered the first portion of a presentation on the resolution covering context for concerns related to the transaction, active and cancelled transit-oriented developments (TODs), a history of TOD at UTA, a history at the Clearfield site, required board actions on the Clearfield offer, and UTA requirements and considerations. Paul Drake, UTA Senior Manager of Real Estate and TOD, delivered the second portion of the presentation covering Stadler Rail's site plan, UTA Design Review Committee conditions, future potential for TOD on the site, the proposed schedules on the site (requested and alternative), and the conditional approval based on discussions in the board's April Transit-Oriented Communities Committee meeting. Mr. Drake noted that the Stadler proposal will not meet the criteria for UTA's TOD program, and the property will need to be removed from the program and designated as surplus in order for the contemplated transaction to proceed.

Vice Chair Everett reiterated UTA's commitment to transparency and availability of information from UTA. She added that UTA has strong conflicts of interest policies. She then stated that UTA staff was recently made aware that Sheldon Killpack, through his company, One West Construction, has been retained by Stadler Rail (Stadler) to do pre-construction consulting on the Stadler facility and that One West Construction is expected to be the building contractor on the site. Mr. Killpack is a former board member and was a member of the UTA Board of Trustees between April 2015 and December 2015. Vice Chair Everett noted that during that period and in the 18 months since, the agency has had discussions with Stadler both about their lease at part of UTA's Warm Springs facility and Stadler's desire to locate a permanent manufacturing plant with access to UTA's rail corridors in Clearfield. Vice Chair Everett emphasized that she was not suggesting anything improper has taken place, but rather providing context for the discussion.

Mr. Blakesley added that UTA has a policy that prohibits board members and employees from doing business with UTA for a period of one year following the conclusion of their service. He said that period has expired for Mr. Killpack and that Mr. Killpack has not sought to do business with UTA directly. On learning of Mr. Killpack's involvement in the Stadler project, UTA requested information from Stadler, Clearfield City, and Davis County on the involvement of any current or past board members acting outside of their official duties in the Clearfield transaction. Official responses are pending. This due diligence is part of UTA's process to check for conflicts of interest on TOD transactions.

Jerry Benson, UTA President/CEO, said that UTA intends to avoid any real or perceived conflicts of interest on the site and to disclose all potentially relevant information to the board and the public. Mr. Benson requested more time for due diligence and public input and suggested staff would be prepared for additional board discussion at the Transit-Oriented Communities Committee meeting on May 10.

**Public Input.** Two comments received online from David Hunt and Phillip Savageau were read in the meeting by Robert Biles, acting in his capacity as secretary to the board. In-person comment was given by Claire Geddes, Senator David Gregg Buxton, and Mayor Mark Shepherd from Clearfield City. The board posed questions to Mayor Shepherd.

Following the interaction with Mayor Shepherd, comment was given by Keith Bartholomew, who stated that just prior to today's board meeting his appointing authority asked that he no longer serve as a trustee on the UTA board. Mr. Bartholomew then commented on the Clearfield proposal.

Claire Geddes approached the microphone for a second time and made additional comment. Comment was then given by J.J. Allen with Clearfield City. Mr. Blakesley expressed appreciation for Clearfield City's support of the public process related to this transaction. Additional comment was given by George Chapman, Abby Osborn, and Representative Mike Schultz.

**Board Discussion and Decision/Action.** Vice Chair Everett suggested taking more time to consider the resolution. Questions were posed by the board and answered by staff on issues such as laws and federal requirements related to surplus property sales, the process for declaring property surplus, Clearfield's restrictions on the transaction property, the timeline for addressing the Clearfield property transaction, UTA's vision for the site if the property remains whole, and the original purpose of the property purchase.

Trustee Christensen left the meeting at 3:10 p.m.

Trustee Ashton left the meeting at 3:17 p.m.

Trustee Millburn spoke in support of the resolution.

When asked what due diligence would entail, Mr. Blakesley responded that from a legal perspective it would include ascertaining the involvement of Sheldon Killpack and any other current or former UTA officials in the proposed Clearfield project. He anticipated the due diligence would be complete in a matter of weeks. Mr. Blakesley added that the due diligence process would take place regardless of whether the property is designated TOD or surplus.

Mr. Drake indicated that due diligence from a real estate perspective would include agreeing on a scope for a third appraisal, obtaining a third appraisal, securing Federal Transit Administration (FTA) approval, signing a memorandum of understanding to fund a future garage and assist with a station area plan, and Clearfield completing its city processes. Mr. Benson stated that the conditions were listed in meeting packet with the resolution.

A question was raised regarding the present and future value of the pieces of remaining UTA property should the Clearfield transaction proceed as outlined. Mr. Drake and J.J. Allen, Assistant City Manager for Clearfield City, provided clarification on differing

appraisal values on the site and the zoning history. Staff was asked to prepare a historical timeline of zoning on the property for the board.

Trustee Taylor proposed full disclosure of all documents and information be made to the public (which at a later point in the meeting Vice Chair Everett noted already occurred with the meeting packet's posting to UTA's website at [www.rideuta.com/board](http://www.rideuta.com/board)). Trustee Taylor expressed concern with the potential for lost value on UTA's remnant parcels if the transaction with Stadler proceeds. He suggested the property be sold through a public bid process.

Trustee Walker expressed his confidence in UTA's conflicts of interest policy and said if there is a conflict found with respect to Mr. Killpack, the board should follow its policy. If no conflict is found, then the board should not further concern itself. Trustee Walker then opined that the Stadler parcel is not needed for UTA's TOD program. He suggested that a high rise option is attractive for the remnant parcels and recommended the agency work with the city to make sure zoning is in place to allow for that kind of development, including a minimum building height. He also reinforced the importance of making certain the agency gets the appropriate fair market price for the property while still working with the city to meet the city's needs.

It was suggested a public input meeting be held in Clearfield on May 10. Mr. Blakesley indicated that the legal due diligence on conflicts of interest should be complete by that date as well.

A question was posed on the viability of selling the entire parcel of land at the Clearfield site with the exception of what is needed for transit. Mr. Benson responded that selling the whole parcel would be complicated at this point in time and would set back the transaction schedule, which is a priority for the city.

During discussion of the resolution, several trustees expressed support for reevaluating the role of the agency's involvement in TOD. Vice Chair Everett suggested TOD might be a good topic for the board's strategic workshop.

A motion to table action on the resolution was made by Trustee De Lay and seconded by Trustee Walker. Discussion ensued. Trustee Bell asked for the purchase price allocated to the parcel when the Clearfield property was originally purchased by UTA. Mr. Drake responded that the TOD portion of the original property Clearfield purchase did not have a specific price allocated to it, but that an extrapolated price is available and would

be provided to trustees for the next board discussion. The motion carried by unanimous consent.

Vice Chair Everett called for a brief recess at 4:08 p.m.

Chair McKinley resumed control of the meeting and recommenced the meeting at 4:25 p.m.

**Resolution: R2017-04-01: Vehicle Leasing Program.**

**Presentation of Item.** Robert Biles, UTA Vice President of Finance, explained the vehicle leasing program which authorizes the financing of certain equipment through lease-purchase agreements. Mr. Biles indicated that in 2017 the agency has budgeted for the acquisition of 49 buses, 29 paratransit vans, and 40 rideshare vans.

**Public Input.** Mr. Biles stated that no comments were received online. No in-person comment was given.

**Board Discussion and Decision/Action.** A brief discussion ensued. Questions were posed by the board and answered by staff. A motion to approve resolution was made by Trustee Walker and seconded by Trustee De Lay. The motion carried by unanimous consent.

**Resolution: R2017-04-03: Policy 4.1.13 – Employment of Relatives.**

**Presentation of Item.** Chair McKinley stated that this resolution was previously moved to the full board for consideration and tabled. The board Executive Committee opted to bring it to the board at this time because it should be sent to appointing authorities prior to filling the two open seats on the board. The policy would apply prospectively. Mr. Blakesley indicated the policy was “intended to strengthen the faith and confidence of the public in the integrity of UTA.” He then summarized key points in the policy.

**Public Input.** In-person comment was given by George Chapman.

**Board Discussion and Decision/Action.** Discussion ensued. Trustee Bell asked if the policy under board consideration is binding to appointing authorities. Mr. Blakesley replied that it is not. Mr. Blakesley clarified that the policy does outline a governance process should an appointing authority decide to seat an appointee with a relative employed by UTA.

Trustee Taylor recused himself from voting on the resolution due to his father's employment with the agency. He then opined that the policy only adds the agency's ability to fire an employee should one of their relatives be appointed to the board and shared verbatim a paragraph from a draft alert from the State Auditor's Office on nepotism policies. Trustee Taylor recommended sending the policy back to Trustee Millburn's committee for further review. Vice Chair Everett observed that a clear policy allows an appointing authority the opportunity to consider the disruption to the career path of an existing employee should they opt to appoint a relative of that employee to the board. Further discussion ensued.

Mr. Blakesley stated the policy currently in place is a corporate policy. He added that the board is not necessarily bound by corporate policies, though historically it has complied with the agency's policy on employment of relatives. The new board policy is intended to close the gap and make the board's intentions clear. Mr. Blakesley remarked that regardless of whether an employee is directly supervised by a board member or not, there is an inherent appearance of preference or an actual preference if that employee is a relative of a board member.

A motion to return the policy to committee was made by Trustee Acerson and seconded by Trustee Millburn. The motion failed with three aye votes from Trustees Acerson, Millburn, and De Lay; six nay votes from Trustees Bell, Walker, Everett, McKinley, Henderson, and McConkie; and one abstention from Trustee Taylor.

A motion to approve the resolution was made by Vice Chair Everett and seconded by Trustee Henderson. The motion carried by majority consent with six aye votes from Trustees Bell, Walker, Everett, McKinley, Henderson, and McConkie; three nay votes from Trustees Millburn, Acerson, and De Lay; and one abstention from Trustee Taylor.

### **Presentations/Informational Items.**

**Board Retreat Pre-Work and Milestone Timeline of Activity.** Trustee Henderson invited all trustees to attend the Planning and Long-Term Vision Committee meeting in May. He said pre-work includes site visits and emphasized the importance of participation.

**Internal and External Audits Update.** This item was deferred to a future board meeting.

**Departmental Overview – Asset Management and Capital Development.** This item was deferred to a future board meeting.

**President/CEO Report.** At the request of the chair, no report was given.

**Item(s) for Consent.** Consent items consisted of the following:

- Approval of March 22, 2017 Meeting Report
- December 2016/January 2017/February 2017 Financial Reports and Dashboard

Chair McKinley indicated that there was a question raised by a trustee regarding the accuracy of the March 22, 2017 Meeting Report and asked staff to review it. Voting on the consent items was deferred to a future board meeting.

**Closed Session.** No closed session was held.

**Action Taken Regarding Matters Discussed in Closed Session.** No closed session was held.

**Other Business.** No other business was discussed.

**Adjournment.** The meeting was adjourned at 4:56 p.m. by motion.

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[Video](#) and [audio](#) recordings of this meeting are posted online.