

PENDING MEETING MINUES – NOT YET APPROVED

Utah Inland Port Authority Board Meeting Minutes

June 5, 2019 • 4:00 p.m. – 6:00 p.m.

Capitol Building, Room 445

350 North State Street

Salt Lake City, UT 84114

Board Members Present: Francis Gibson, Nicole Cottle, D. Gregg Buxton, Carlos Braceras, James Rogers, Blake Thomas, Derek Miller, Ben Hart (by phone), Michael Jensen (by phone)

Board Members Absent: Lara Fritts, Garth “Tooter” Ogden

Others participating in meeting and staff: Nick Tarbet, Robert Nutzman, Larry Shepherd, Jill Flygare, Tom Wadsworth, Aimee Edwards, Paul Morris, Lyndon Ricks, Craig Sabina

Others in attendance: James King, Jo Ann Deakin, Marsha Moench, Katie Newburn, Heather Marron, Jeff Hartley, Monica Hilding, Izzy Loertscher, Amber Jacobson, John Prehn, Heather Dove, Greg Nelson, Cameron Wilson, Katie Pappas, Georgie Corkery, Kathy Schmidt, Dr. Naomi Silverstone, Andrew Harding, Dr. Mark Barrett, Deeda Seed, Greg Schulz, Theresa Sheets, Dale Heisler, Shauna Heisler, Alex Johnson, Gary Hanneman, Bret Loertscher, Steve Erickson, Joane Anderson, William Willett, Roger Mitchell, Jim York, Carolyn Erickson, Jason Groth, Berger Eskildsen, Lauren Simpson

A. Welcome

Chairperson Miller welcomed the board members, staff and public to this Utah Inland Port Authority Board Meeting.

Chairperson Miller recessed the meeting briefly while protestors attempting to disrupt the proceedings were escorted from the room.

Approval of Previous Meeting Minutes:

Board Member Buxton moved to approve the minutes of the April 24, 2019 board meeting.

Board Member Braceras seconded the motion.

The motion was approved unanimously.

B. Discussion Items

There were no discussion items raised.

C. Public Hearing

Public comment on the Amended Fiscal year 2018-19 Budget and the Fiscal Year 2019-20 Budget.

Chairperson Miller invited public comment on the Amended Fiscal Year 2018-19 Budget and the Fiscal Year 2019-20 Budget.

Greg Schulz said he had reviewed the budget. He complimented the effort in creating the budget and its priorities in addressing the concerns of inland port critics. He thanked the board for their work and outreach and said Magna looks forward to continuing to work with the board.

Deeda Seed said it was irresponsible to have a budget of over \$8 million for a project that has no plan and has not been vetted with the public and is controversial. She pointed to homelessness and other critical needs where the money could be used.

Dr. Mark Barrett said he feels giving state funds to a private entity that won't pay property taxes and will collect taxes from the surrounding area sounds corrupt to him.

Heather Marron thanked the board for taking comments. She said she finds the budget to be outrageous from her viewpoint as a single mother raising children without government assistance. She said schools are struggling and need help and this money is going to a project that will pollute and damage the air her children breathe. She asked the board to think about the earth, we all have to share it. She said to stop destroying the earth - you won't see the damage that this will do. She said we need to be wise with money and think about the children and we can't escape the damage that this is going to do. She said the people of the earth deserve better than greed and corruption.

D. Potential Action Items

1. Budget Amendment Number 1 – Fiscal Year 2018-19

2. Budget – Fiscal Year 2019-20

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Chairperson Miller asked Jill Flygare to present on these items.

Jill Flygare explained that the FY19 budget presented shows budget amounts through the end the current fiscal year. The Governor's Office of Economic Development which has been overseeing the budget will work with an independent third party to audit all transactions and report any findings to the board.

Documentation for Fiscal Year 2020 shows expected revenue and expenditures for that year.

Motion:

Board Member Rogers moved to close public comments on the budget.

Board Member Buxton seconded the motion.

The motion was approved unanimously.

Motion:

UTAH INLAND PORT AUTHORITY

RESOLUTION 2019-03

A RESOLUTION OF THE UTAH INLAND PORT AUTHORITY APPROVING AN AMENDED BUDGET FOR FISCAL YEAR 2018- 19

WHEREAS, pursuant to §11-58-802(1) Utah Code Annotated 1953, as amended ("UCA"), the Utah Inland Port Authority ("Authority") may amend its annual budget by resolution; and

WHEREAS, pursuant to §11-58-801(4) UCA, the Authority is required to hold a public hearing, provide notice of this hearing by publishing at least one notice in a newspaper of general circulation within the state one week before the public hearing and on the Utah Public Notice Website, and make the proposed budget amendment available for public inspection at least three days before the date of the public hearing; and

WHEREAS, such notice was published in the Salt Lake Tribune, the Desert News, and on the Utah Public Notice Website; the public hearing was held on June 5, 2019; and, the proposed budget amendment was made available for public inspection at least three business days before the public hearing; and

NOW, THEREFORE, BE IT RESOLVED BY THE AUTHORITY BOARD that the attached amended budget for FY 2018-19 is hereby adopted and the staff is directed to file it as required by §11-58-801(6) UCA.

PASSED AND ADOPTED by the Authority Board this 5th day of June 2019.

Utah Inland Port Authority

UTAH INLAND PORT AUTHORITY

RESOLUTION 2019-04

A RESOLUTION OF THE UTAH INLAND PORT AUTHORITY APPROVING A BUDGET FOR FISCAL YEAR 2019-20

WHEREAS, pursuant to §11-58-801 Utah Code Annotated 1953, as amended ("UCA"), the Utah Inland Port Authority ("Authority") is required to adopt an annual budget; and

WHEREAS, pursuant to §11-58-801(4) UCA, the Authority is required to hold a public hearing, provide notice of this hearing by publishing at least one notice in a newspaper of general circulation within the state one week before the public hearing and on the Utah Public Notice Website, and make the proposed budget available for public inspection at least three days before the date of the public hearing; and

WHEREAS, such notice was published in the Salt Lake Tribune, the Desert News, and on the Utah Public Notice Website; the public hearing was held on June 5, 2019; and, the proposed budget was made available for public inspection at least three business days before the public hearing; and

NOW, THEREFORE, BE IT RESOLVED BY THE AUTHORITY BOARD that the attached budget for FY 2019-20 is hereby adopted and the staff is directed to file it as required by §11-58-801(6) UCA.

PASSED AND ADOPTED by the Authority Board this 5th day of June 2019.

Utah Inland Port Authority

Board Member Hart moved to approve Resolution 2019-03 adopting an amended budget for Fiscal year 2018-19 and Resolution 2019-04 adopting an annual budget for Fiscal Year 2019-20.

Board Member Gibson seconded the motion.

The motion was approved unanimously.

3. Executive Director Selection and Delegation of Certain Powers.

Chairperson Miller invited Vice Chair Rogers to present on this item.

Vice Chair Rogers praised Jack Hedge as the recommended candidate as the executive director of the Utah Inland Port Authority. He compared Mr. Hedge to a first round draft pick and shared that the process was very deliberative, well thought out and transparent in its discussion of the issues such as making a sustainable port, environmental standards, and economic impact. He feels Jack Hedge brings all the necessary experience for the position. Vice Chair Rogers and other selection committee members Ben Hart and Laura Fritts recommend Jack Hedge for the position of executive director.

Vice Chair Rogers invited Craig Sabina of the executive search firm McDermott & Bull to speak to the selection process. Craig Sabina said there was much interest in the position among people who do this kind of work. The top candidates were selected through a careful and methodical process.

Chairperson Miller thanked Vice Chair Rogers for his leadership in conducting the search and other board members for their involvement in the process.

Chairperson Miller invited public comment on the executive director selection. There was no comment.

Motion:

UTAH INLAND PORT AUTHORITY

RESOLUTION 2019-05

A RESOLUTION OF THE UTAH INLAND PORT AUTHORITY APPOINTING JACK HEDGE AS EXECUTIVE DIRECTOR

WHEREAS, pursuant to §11-58-305(1) Utah Code Annotated 1953, as amended (“UCA”), the Utah Inland Port Authority (“Authority”) is required to “hire a full-time executive director to manage and oversee the day-to-day operations of the authority and to perform other functions, as directed by the board”; and

WHEREAS, after an extensive nationwide and international search, Jack Hedge has been selected as the person who has “the education, experience, and training necessary to perform the executive director’s duties in a way that maximizes the potential for successfully achieving and implementing the strategies, policies, and objectives stated in Subsection 11-58-203(1)” as required by §11-58-305(2) UCA ; and

WHEREAS, §11-58-301(3) UCA provides that the “board may by resolution delegate powers to authority staff”; and

WHEREAS, Jack Hedge will serve at the pleasure of the board and has the duties, compensation, and benefits as set forth in this resolution and in the attached Employment Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE AUTHORITY BOARD as follows:

1. Jack Hedge is appointed as Executive Director of the Authority;
2. The attached Employment Agreement with Jack Hedge is approved, and the Chair is authorized to execute it on behalf of the Authority; and,
3. The Authority’s Executive Director shall have the power and authority on behalf of the Authority to:
 - a. Administer all aspects of the day to day operations of the Authority and adopt and amend Executive Orders establishing administrative policies, including amending board approved policies that require conforming amendments because of legislative changes. The Executive Director shall provide the board members with a copy of all updated board approved policies that are amended pursuant to this delegated authority.
 - b. Make expenditures that are consistent with the board approved budget and to change expenditures in the adopted budget from one line item to another so long as the expenditures do not exceed the total in the adopted budget. Board members shall be informed of any expenditure change of \$50,000 or greater.

- c. Hire the Chief Financial Officer and Treasurer, required by statute, and such other staff, as needed, and to administer all aspects of the human resource administration of the Authority, including hiring, firing, discipline, raises, promotions, travel, expense reimbursement and benefits. The Executive Director may delegate duties and authority to staff members, as determined necessary or desirable.
 - d. Make purchases, the Executive Director shall adopt a procurement policy. The policy shall be consistent with the following guidelines as to when a competitive process, involving RFPs or bids, is necessary and when Board approval is necessary. All procurements must be within the approved budget expenditure total.
 - i. Purchases of \$50,000 or more shall be made by a competitive process and board approval. Purchases of less than \$50,000 may be made by a competitive process but without board approval. If the purchase is less than \$5,000 neither a competitive process nor board approval is required.
 - ii. A competitive process is not required for items on the State Contract list; other governmental entities procurements within 90 days of the purchase; emergency purchases; sole source, specialized or to meet existing needs purchases; professional services negotiated on demonstrated competence and qualification at a fair and reasonable price; and, interlocal cooperation agreements. If the procurement is \$50,000 or more it must be reported to the board.
 - iii. The Executive Director may execute contract extensions and changes without board approval, if the funding is within the approved budget amounts.
 - e. Open bank accounts, including PTIF accounts, obtain credit cards for small purchases, and transact business on behalf of the Authority. The Executive Director shall establish internal control procedures for ensuring that funds and credit cards are used appropriately.
 - f. Negotiate leases for and execute and deliver leases for office space for the operation of the Authority's business.
 - g. Execute contracts, agreements, and all other documents, agreements, or certifications. If it involves a procurement that requires Board approval or there is a statutory requirement for board approval, then it shall be approved by the Board prior to execution. However, the Executive Director shall not enter into any contract or transaction relating to the business or operations of the Authority with the Executive Director, staff member or any member of the board or any affiliate of any of the foregoing persons, or with any officer, director or family member of any those persons or their respective affiliates.
 - h. Execute and file all reports and maintain all records required by law or by this Resolution.
 - i. Coordinate the management and operation of the Authority and perform other normal business functions and otherwise operate and manage the business and affairs of the Authority in accordance with and as limited by this Resolution.
4. Notwithstanding the provisions of Paragraph 3 or any other provisions herein, the Executive Director shall not have the right or power to do any of the following without the consent of board of directors of the Authority acting by majority vote.
- a. Do any act that would make it impossible to carry on the ordinary business of the Authority.
 - b. Confess a judgment against the Authority.
 - c. Use the Authority name, credit, or assets for other than Authority purposes.
 - d. Do any act in contravention of the Utah Inland Port Authority Act.
 - e. Submit any dispute involving the Authority to binding arbitration.
 - f. Cause the Authority to borrow or incur any indebtedness.

PASSED AND ADOPTED by the Authority Board this 5th day of June 2019.

Utah Inland Port Authority

Board Member Buxton moved to approve Resolution 2019-05 appointing Jack Hedge as executive director of the Utah Inland Port Authority and delegating certain powers.
Board Member Braceras seconded the motion.
The motion was approved unanimously.

4. Requesting Admission to the Public Employees' Retirement System

Paul Morris explained that this resolution was required to allow employees of the Utah Inland Port Authority to participate in the Utah Public Employees' Retirement System.

Chairperson Miller invited public comment on this item. There was no comment.

Motion:

UTAH INLAND PORT AUTHORITY

RESOLUTION 2019-06

A RESOLUTION REQUESTING ADMISSION TO THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM

WHEREAS, the Utah Inland Port Authority ("Authority") is authorized to employ personnel on a full-time basis; and

WHEREAS, it is in the public interest to provide benefits authorized by Utah state law for the personnel by the Authority; and

WHEREAS, it is the intent of the Authority's Board of Directors to approve and authorize coverage under Public Employees' Retirement Systems for Authority personnel.

NOW THEREFORE, be it resolved by the Board of Directors of the Utah Inland Port Authority that the Executive Director is hereby authorized and directed to undertake all of the necessary actions to enroll the Authority in the benefit programs of the Public Employees' Retirement Systems offered by Utah Retirement Systems, including the retirement coverage and death benefit coverage for qualified employees under the laws and regulations of the Utah Retirement Systems.

PASSED AND ADOPTED by the Authority Board this 5th day of June 2019.

Utah Inland Port Authority

Board Member Braceras moved to approve Resolution 2019-06 requesting admission to the public employee's retirement system for employees of the Utah Inland Port Authority.

Board Member Rogers seconded the motion.

The motion was approved unanimously.

Question:

Vice Chair Rogers asked the chair if the board was scheduled to meet in July or August. Chairperson Miller offered that the board should allow the new executive director to get established over the summer and determine what business needed to be transacted by the board and schedule the next meeting accordingly. Jack Hedge will start as the executive director on June 24, 2019.

E. General Comments to the Board

Chairperson Miller invited general comments to the board.

Andrew Harding questioned spending for the Inland Port without a plan and without the consent of the public. He feels migratory birds have a right to exist too and if we have to have a port, put it somewhere else, not next to the Great Salt Lake. He said the Inland Port will provide only low paying jobs and we need better than that. He said the people at large don't want this and there is only support from those who will profit and their political allies.

Dr. Naomi Silverstone told the board she came to Utah in 1979 to work with the University of Utah in a new rural health initiative. She committed to staying for 4 years and has stayed for 40. She loves the state and calls it home. She feels the proposed port will create health risks for population of the state with air and water pollution. She asked the board to consider health risks before proceeding and said Utah air quality poses clear health risks to the health of all Utahns. She said no economic development can compensate for this.

Kathy Schmidt thanked the board for the opportunity to speak. She suggested that the uncivility expressed at the meeting was perhaps out of frustration that the board continues to take action and the public comments don't appear to be taken seriously. She said public comments should be given due consideration. She hopes that those who feel the Inland Port is "already done" are overstating the inevitability of the project. She said we shouldn't use taxpayer money to support outdated technology. She opposes the transportation of coal to the port, increased traffic, and industrial sprawl.

Chairperson Miller invited all members of the public in attendance to participate in the public input process that is being conducted by Envision Utah.

Georgie Corkery told the board that Utah earned another dismal ranking for air quality from the American Lung Association and asked how this information should affect public policy. She said we should stop doing things that make air quality worse. She asked, "How can you force us to accept this port?" She shared poor rankings for Utah in particulate matter and ozone and said the proposed Inland Port goes against all that the Clean Air Act stands for.

Katie Pappas said she has lived in Salt Lake City for over 50 years. In that time she has seen many bad legislative ideas and considers this port one of the worst. She said there is a lot not to like about the port- the state would take land that belongs to Salt Lake City and deprive the city of revenue from those lands for decades while requiring that the city provide services to the area. She said wetlands would be decimated, affecting wildlife, traffic will increase air pollution and groundwater contamination will effect water quality. She believes the money would be better spent on programs to improve the lives of Utahns. She feels the biggest reason to oppose the port is climate change and that we should ask ourselves if there are things more important in this world than money and profits.

Cameron Wilson commended the board for an admirable process in the face of difficult opposition. He expressed that this opportunity is one that cannot be passed up and those who oppose have not looked into the benefit that can come from a well-planned and operated port where movement of freight is carefully organized and done to reduce the kinds of impacts that have been addressed. He said this project will bring opportunities for jobs, growth, and become a center for business opportunity for our region. He commended the board for their hiring of the new executive director and encouraged them to keep fighting through the opposition.

Greg Nelson said he works for the oldest civil engineering firm in the state of Utah, a company that designs railroads. He said industry has left Salt Lake City due to a lack of rail-served space and that we now have the opportunity to create one of the greatest rail-served spaces. He said the northwest quadrant has the infrastructure, workforce and rail service needed to retain these industries and we can do this in a responsible manner. He encouraged the Utah Inland Port Authority Board to be an advocate for rail service in the port area.

Heather Dunn requested that the board again schedule a briefing from Ella Sorensen from the Audubon Society about the wetlands, habitat and the buffer zone. That presentation was on the agenda for the previous meeting that was interrupted by protests. She requested that the board reconsider the process of public comment, expressing frustration in not being able to engage the board in questions and answers. She wants to hear the board respond to the environmental issues raised.

John Prehn spoke to the board about Earth Overshoot Day, when more resources from the earth have been taken than can be renewably replaced in the year. He feels the port authority should be shut down for the rest of the year on overshoot day.

Izzy Loertscher told the board we have an air crisis and that air pollution in Salt Lake City causes health problems. Instead of making things worse, she would like decisions made that will make things better.

Monica Hilding told the board she has heard many people speak to the board about pollution but has not heard reaction from the port authority. She said she has been to outreach meetings where every speaker says they do not want the port. She asked the board why they don't act on the public comments. She does not want a port that will add to pollution.

Jeff Hartley said he was a voice for the silent majority and thanked the board for what they put up with every meeting toward the advancement of this good economic idea. He shared data from the Environmental Protection Agency that air quality in Salt Lake City for PM 2.5 is in attainment and said that the state continues to make great strides. He said many are confident that the inland port will be operated in a clean manner.

Theresa Sheets said she is a graduate student at the University of Utah. She said we do not need an inland port to distribute fossil fuels around the country and the world. She said Salt Lake City will bear the burden of this port on its citizens health, safety, and future with no financial reward. She blamed cancer rates in Utah on industrialized products. She does not feel the correct solution is to build a port and continue industrialization.

Dale Heisler said he has been in Salt Lake City since 1971 and has seen many changes over time. He is concerned with state overreach in taking from the community, taking land and impacting people without their consent. He would like the board to consider the voice of the community

F. Report of the Chair

Chairperson Miller thanked the public for input and participation in the community outreach effort. He noted the significance of the hiring of an executive director and reiterated Jack Hedge's qualification for the position.

Comment:

Board Member Braceras noted the contributions to the Utah Inland Port Authority from interim executive director Chris Conabee and expressed thanks to him for his service.

Adjournment:

Board Member Braceras offered a motion to adjourn.

Board Member Buxton seconded the motion.

The motion was approved unanimously.

DRAFT