

INTERLOCAL COMMITTEE MEETING
June 23, 2008
SANDY CITY HALL
CITY COUNCIL CONFERENCE ROOM

Attendance:

Mayor Cullimore, Mayor Dolan, Mayor Seghini, Mayor Pollard, Board Member Kim Horiuchi, Zach Shields, Mike Shelton, John Hiskey, Korban Lee, Liane Stillman, John Bennion, Rickie McCandless, Sandra Petersen, Melanie Dansie

MINUTES OF THE MEETING

3:10 p.m. Mayor Cullimore calls the meeting to order.

1. Mayor Seghini made a motion to approve the minutes from the 6/16/08 meeting. Mayor Dolan seconded the motion. The motion was approved unanimously.
2. Mayor Cullimore turned the time over to Mike Shelton for a report from the Asset Transition Team. Mike noted that the Asset Transition Team will be meeting later in the afternoon. They are working on getting details for an arbitration budget, including examining how much it would cost to update the school district's FCI study and so on.
3. Mayor Cullimore updated the committee on a meeting members of both Asset Transition Teams had with the Speaker of the House, Greg Curtis. Mayor Cullimore was present at that meeting, as were some west side legislators. At the meeting, Mayor Cullimore presented a proposal wherein the value of buildings might not be considered as part of the negotiation process. However, the negotiation did not progress as Dennis Higbee, a member of the Remaining School District Transition Team would not consider any settlement which involved the transfer of funds to the new school district. Mayor Dolan mentioned that for some time, on the east side members thought the west side asset transition team would eventually begin to negotiate. However, that doesn't appear to be happening and thus, they are heading into arbitration. John Bennion asked if there seemed to be any chance of the Governor calling for a special session of the legislature. Mayor Cullimore and Dolan both responded that in all likelihood, the Governor would probably only call for a special session if there is already

consensus among the legislators about what would be accomplished in a special session. The Mayors agreed they would talk with the west side mayors at the Conference of Mayors on Friday and see if the west side Mayors would like to meet and discuss what might be done to settle this process regarding the division of assets.

4. Mike Shelton indicated that it was his understanding that the Remaining School District Transition Team would wait until August 1 to appoint their arbitrator. Kim Horiuchi noted that the west side transition team is holding numerous closed sessions to discuss pending litigation. Yet they are saying in the papers that they are not at an impasse.

5. Mayor Cullimore noted that the remaining school district gets a significant amount of money each year from the equalization funding within Salt Lake County. That equalization money may quickly make up for any settlement payment.

Ellen Wallace and Linda Bullough arrived at 3:40 p.m.

6. Mayor Cullimore turned the time over to the Education Transition Team. Dr. Bennion noted that on June 30, the Education Transition Team will begin meeting with the new school board members to review the applicants for the superintendent position.

7. Dr. Bennion asked the committee about how to handle the transition process of turning over all of the transition responsibilities from the Interlocal Committee to the new school board. Mayor Cullimore suggested that the two meetings in July, on July 7 and 14, the new board in its entirety, meet with the Interlocal Committee. Then, following July 15, the Interlocal Committee disbands. The one caveat to this transition is the work of the Asset Transition Team. It is a bit unclear in the statute who the Asset Transition Team works with if the process to divide assets goes to arbitration. Kim Horiuchi noted that the Asset Team for the new school district is appointed by the cities who signed the interlocal agreement to put the issue of creating a new school district on the ballot. Mike Shelton also noted that the Asset Team's expenses are paid for by the Interlocal Cities, but the arbitration costs are paid for by the existing school district. Ellen Wallace expressed her hope that the Interlocal Committee would continue functioning with the Asset Transition Team because the new school board

will have a lot of other things to work on in the school district creation process.

8. Dr. Bennion asked what the cost estimate might be for arbitration. Mayor Cullimore noted that the total arbitration costs, including studies, may exceed \$1 million.

Steve Newton arrived at 3:48 p.m.

9. Mayor Dolan asked the Education Team to give another brief update about who had applied for the superintendent position. Dr. Bennion noted that there were twelve applicants altogether, including three from New York, three from Utah, and additional applicants from all over the country. Again, Dr. Bennion noted that the new school board would be meeting with the Education Transition Team on June 30 to review the superintendent applications.

10. Korban Lee asked if the Interlocal Committee Meeting on June 30 should be canceled. Mayor Cullimore responded that they would determine that after the Conference of Mayors meeting on Thursday.

Josh Ewing from Love Communications arrived at 3:55 p.m.

11. Dr. Bennion noted that he spoke with John Robson, who mentioned that even though the new school board won't be officially sworn-in to office until July 15, that the meetings the Education Transition Team is having with the school board should be publicly noticed.

12. Dr. Bennion commented that Sherrie Swenson, the Salt Lake County Clerk, can swear in the new school board, but not until about 7:30 p.m. on July 15. Thus, it was generally agreed upon that the Board swearing in ceremony would be on July 15 at 7:30 p.m.

13. Mayor Cullimore asked the Education Transition Team if there needed to be further discussion regarding the clarification of some of the rumors which were brought up during the meeting with the principals. The Education Team noted what some of the rumors were, including the rumor that one of the Education Transition Team members would become the new superintendent. Dr. Bennion noted that they clarified that rumor, and also noted that the Education Transition Team's role is to get a new

superintendent for the new school board as quickly as possible. Dr. Bennion and Dr. Petersen also noted that some of the other rumors included that the new district would be adopting the Salt Lake School District governance model and that the special education programs would be done away with.

14. Dr. Bennion noted that things are set for the retreat on July 11, and 12.

15. Mayor Cullimore asked if anyone knew who the frontrunners were for the school board openings. All responded that they didn't know who might win any of the school board races. Kim Horiuchi, Mayor Dolan, and Mayor Seghini all noted that good people were running for each of the seats. Mayor Cullimore expressed excitement for the new school board and noted that many of the candidates have expressed interest in working with the new school district even if they don't get elected to serve on the board.

16. Mayor Cullimore noted that the Mayors received a copy of the letter from Ellen Wallace rescinding her resignation. Ellen explained that she was still thinking about what she should do which would be best for the new board.

17. Mayor Cullimore turned the time over to Steve Newton. Steve explained that some of the studies which would be needed may include \$1500 per building for seismic studies, and \$375,000 to update the FCI study. Other studies that may be needed include an updated enrollment study and some work possibly from appraisers. Steve also noted that the attorney fees may total about \$200,000 and that the fees for the arbitrators may be \$100,000. All of those costs may total as much as about \$1 million, and about half of those costs are for studies which need to be done anyway. Steve Newton noted that the studies will drive the timeline for arbitration. Steve Newton expressed hope that the arbitration process would be completed before the end of the calendar year. Steve Newton explained that going to arbitration is essentially like going to trial and he further explained that the Asset Transition Team has to be prepared to make as strong a case as possible before the arbitrators. Steve explained that all of the arbitration costs are costs that have to be born by the existing Jordan School District and that they should be aware of what those potential costs might include. Kim Horiuchi noted that the Jordan School District budget includes \$1 million for arbitration costs plus the \$9 million set aside for the transition process. Steve Newton explained that they are trying to get an engagement process completed with the law firm whom they have selected to represent

them in arbitration. There is some confusion about who the engagement letter can be signed by and who technically the legal client of the law firm is because the Asset Transition Team is not a formally organized entity. Mayor Cullimore asked if Pat Casaday and John Robson could work on addressing that issue.

Cindy Ford arrived at 4:20 p.m.

18. Mayor Cullimore distributed a summary of the talking points for the editorial board meeting with KSL. Josh explained what to expect at the meeting and offered some advice about where to park and what time to arrive. The Interlocal Committee reviewed the talking points and discussed who would cover each relevant issue.

19. Korban Lee distributed copies of a press release about the applicants who have applied for the superintendent position. He received feedback, made some changes, and committed to distribute the press release later that evening.

20. Mayor Cullimore asked the Education Transition Team if they planned to submit for the grant for performance pay. Dr. Bennion explained that they felt the chances of them receiving a grant were very slim and they didn't have a full board yet to support the concept of what the grant might require. So, Dr. Bennion noted that they decided to slow down on applying for grants for the new school district.

21. Mayor Seghini asked about the arts specialists for the new school district. Dr. Bennion responded that two of the arts specialists were committed to each side of the district and one was committed as a district-wide specialist.

22. Josh Ewing noted that the Salt Lake Tribune may be willing to publish a letter written as an editorial from someone representing the new school district. Ellen Wallace asked about writing an op-ed letter which came from the entire new school board. Kim was volunteered to write a draft of such a letter.

23. Mayor Cullimore distributed a copy of the proposal he made for a negotiated asset settlement in the meeting with the Speaker of the House. He noted that with this proposal, which is just his idea and not a proposal put

forward by the east side asset transition team, the west side would pay the east side a \$72 million adjustment. He also noted that it would be best if that adjustment might be able to be made by just adjusting the existing bond liabilities.

24. Mayor Dolan made a motion to adjourn. Mayor Pollard seconded the motion.

The meeting adjourned at 5:20 p.m.