

TRANSPARENCY ADVISORY BOARD MEETING MINUTES

September 20, 2012

8:00 a.m.

State Capitol Building, Room 415

Board Member Attendance:

Senator Wayne Niederhauser

John Reidhead, Director, Division of Finance

Jonathan Ball, Director, Legislative Fiscal Analyst

Mark VanOrden, CIO/Executive Director, Dept. of Technology Services

Sandy Naegle, Fiscal Manager, Governor's Office (for Kristen Cox)

Representative Ken Sumsion (absent)

1. Open and Public Meeting Act Training:

Ed Lombard from the Attorney General's Office presented the training that is required of all Boards annually. He was asked to send the power point presentation out to the Board Members.

2. Welcome and Elect Chair and Vice-Chair:

John Reidhead called the meeting to order and explained that the Board Representatives from Special Districts, Counties, and Municipalities terms ended June 30, 2011. The Board is back to the original six Board Members.

Jonathan Ball moved to nominate Senator Wayne Niederhauser for the Board Chair and John Reidhead as Vice Chair for the next year. A vote was taken and the motion passed.

3. Review of August 30, 2011 Meeting Minutes:

Jonathan Ball made a motion to approve the minutes from the last meeting held on August 30, 2011. A vote was taken, the motion passed and the minutes were approved.

4. Update on Website Status

- a) Usage statistics – Michael Rice from Utah Interactive reported.

Michael Rice gave an update of the website that included the number of visitors to the site as well as the number of records that have been put into the website. He also included when the entities were added to the website.

Michael Rice said there have been 68,494 visits to the website in the last 3 ½ years. Visits to the site have increased 10% this past year. He explained that there have been 69 million financial transaction records (expenses, payroll, revenue) that have been put into the website from different entities over the past 3 ½ years. About 1/3 of the traffic on the website comes from state government ISP addresses.

- b) Website Inquiries

Brenda Lee said that there have been three international groups that have been to the Division of Finance to learn about the Transparency Website since the last meeting. They were from Romania, Iraq and Indonesia.

Brenda reported that there have been 29 emails since the last board meeting which were responded to. Some are entities asking how to upload data. There has been correspondence with the Kentucky Legislative Research Commission that is interested in the Transparency Website. They have had people asking where their city's data is located, as well other inquiries that have also been responded to.

There was a request asking where the data was for the San Juan County Health Service District. This is one of the four health care facilities that are not in compliance.

John Reidhead said that the State of Maine has shown an interest in the Utah Transparency Website and are contacting Utah Interactive to see if they could copy the site. Arizona has copied our website.

5. Status of Participating Entities

a) 2010 entities

Darrell Swensen showed the status of the 2010 implementation entities which are Higher Ed., School Districts, Charter Schools and Transit Districts. He reported that there have been entities within this group that have uploaded data to the site since 2010, and it is continuing. He said that he has been helping these entities put their payroll data into the website and 95% have complied. Darrell continues to help the entities with their data and also help those entities who have not complied.

Senator Niederhauser suggested that Darrell come to the Education Appropriation Meeting (the meeting that deals with political subdivisions) and present the information about the entities that have not complied. Jonathan Ball will contact the committee to put this on the agenda.

Jonathan also suggested that there be a place on the front page of the website to highlight the entities when they put their information on the website and perhaps list on the front page the top five entities with the most current data and the bottom five entities with the most out of date information on the site.

Senator Niederhauser supports having some type of recognition for entities that comply. Jonathan Ball will follow up with Michael Rice about adding this to the front page of the website and will report it at the next meeting.

b) 2011 entities

The 2011 entities required to report on the website were Counties, Municipalities, and Special and Local Service Districts. Darrell said that the number of participating entities that have loaded revenue, expense, and the payroll data is up significantly this year. There are still some of these entities that have not complied. Darrell will continue to work with the entities that have not complied.

c) 2013 entities

Darrell reported that 38 of the 2013 Interlocal Entities were required to comply, and he has had responses from 29 of them. They have until May 15, 2013, to comply. Darrell will continue to work with these entities to help them comply.

Senator Niederhauser said that IPA (Intermountain Power Asso.) may request an exemption statutorily.

6. Other Issues

a) Gunnison Valley Hospital variance request

Senator Niederhauser said that Gunnison Valley Hospital was asked to report at this meeting to show where legally they were not subject to GRAMA. He talked with them and explained that GRAMA is the threshold for the transparency website. They are not ready to report to the Transparency Advisory Board at this time. He feels if Gunnison Valley Hospital needs an exemption, they may need to do that statutorily.

John Reidhead said that Finance would send a letter to the hospital and explain the GRAMA threshold and request that they present their reasons to the board at the next meeting why they feel they are exempt from GRAMA requirements.

Senator Niederhauser suggested to state in the letter that GRAMA is the threshold for the website. Also, that the Transparency Advisory Board feels that if the data is available through a GRAMA request it should be on the Transparency Website and they would be expected to comply.

Mark VanOrden asked what makes Gunnison Hospital subject to GRAMA?

John Reidhead responded that they are a political subdivision of the State established as a special district under the Utah Code, Title 17D, Chapter 1, Special Service District Act. This type of entity is subject to the transparency statutes. Since they are a political subdivision of the State, they are a governmental entity and subject to GRAMA.

John Reidhead made a motion that Finance draft a letter that requests Gunnison Valley Hospital and the other applicable hospitals (Canyonlands Health Care Special Service District, Kane County Human Resource Special Service District, and San Juan Health Care Services District) to come to the next board meeting and show where they are exempt from GRAMA. The letter would explain that GRAMA is the threshold of the website. If the data can be requested through GRAMA they would have to comply. If the data is not available through GRAMA they would have to show the Board why it is not available. If they request a variance they would have to present their reasons to the Board. If they are subject to GRAMA but do not believe they should be subject to the transparency website, then the Board suggests they seek a statutory change to be exempt.

There was a vote taken and the motion passed.

b) Policy Revisions

Brenda Lee explained a few minor changes to the policy. There was change in *Participating Local Entities* (g). Interlocal entities were added according to statute.

In the *policy* B. **Entities using the UPFW – Required Public Financial Information**

- (a) Employee compensation summary information will, at a minimum, break out the following amounts separately for each employee:

The information in red is the suggested changes to the policy.

- (i) Actual total wages or salary (not budgeted amounts);

- (ii) Total benefits only, which includes FICA, retirement and 401K contributions, health and dental insurance, workers compensation, unemployment insurance and other similar items paid by the local entity for employees, benefit detail is not allowed;

(b) In addition, the following information will be submitted for each employee:

- (ii) Hourly rate for those employees paid on an hourly basis. Not required for salaried employees, or transactions such as benefits, incentives, or reimbursement items not paid on an hourly basis.

Jonathan Ball asked if they are required to include total benefits.

John Reidhead said that it is required but may not be correct all the time. Darrell continues to work with the Board of Education to get the correct total benefits data. There is a disclaimer on the front page of the website that lists school districts that don't include benefits.

Jonathan Ball made a motion to change the language in (a)(ii), Total benefits only, to which shall include employer paid benefits like FICA, Retirement and 401k contributions, health and dental insurance, workers compensation, unemployment insurance, self-assessed payroll rates and other similar items paid by the local entity for employees.

A vote was taken and the motion passed.

- c) Request for Employee Compensation Disclaimer.

Brenda presented the suggested additional language to the Disclaimer under Employee Compensation Disclaimers on the website.

Employee Compensation amounts shown are not necessarily comparable between entities. Job descriptions in one entity may be different than that of another entity for the same job titles, causing a corresponding difference in salary. Length of service and previous experience upon hire are other factors that may cause differences.

There was a motion to accept the additional language, a vote was taken and the motion passed.

7. Public Comment

Laura Howett from the University of Utah addressed the Board and commented on the additional language to clarify wages and total benefits. She said that in the past she was responsible to report the U of U wages and that wages can be defined in different ways. She wonder about (a)(i) and (ii) if they are trying to capture deferred compensation. She asked if an employee elects deferred compensation as a U of U employee, it doesn't fit under (ii) because it specifically says paid by the local entity and it does not fall under wage either.

Brenda said that we could clarify the policy to make it clear that employee compensation should be based on expenses recorded by the entity not on amounts paid to employees. She said they ask for what the entity records as an expense for employees not W2 information. If the entity reports the deferred compensation as an expense; it should be included with that employee's compensation.

Senator Neiderhauser suggested taking the language in the motion made by Jonathan Ball on *Total Benefits* and restating the language to bring back to the January meeting to include this suggestion of deferred compensation. He would like to offer some proposed changes to the language to clarify the approved language in the policy.

8. Discuss Next Board Meeting Date

Senator Neiderhauser would like some discussions about transparency in the next Legislative Session.

Jonathan Ball would like to look at organizations that review government entities for transparency. He would like to know what their criteria is for transparency and how the Transparency Website compares.

Brenda has the information from the United States Public Interest Research Group (US PIRG) and how the website was graded. The Transparency Website received a "B" grade.

It was suggested to schedule the meeting in January prior to the Legislative Session. The Division of Finance will send out meeting times for the January meeting.

Senator Neiderhauser would like the agenda to include, any entity who would like to address the board about being represented on the website or not be represented on the website. Also, include on the agenda that the Board look at websites that have received a higher grade than the Transparency Website. Jonathan Ball will get with Michael Rice, Darrell and Brenda to discuss adding the most recent data and the least recent data to the front page of the website.

If there are other agenda items that the Board would like included on the agenda for the meeting in January, contact Brenda Lee 801-538-3102, brendalee@utah.gov.

Meeting Adjourned.