Minutes of the
Free Market Protection and Privatization Board
Thursday, January 14, 2016 - 2:00 p.m.
Room 25, House Building
State Capitol Complex

Members present:
Steve Fairbanks (chaired), Sen. Howard Stephenson, Sen. Karen Mayne, Dean Drew, Bob Myrick, Russell Anderson, Travis Dimick
Members absent:
Kimberley Jones, Rep. Johnny Anderson, Manuel Torres, Randy Park, Jacquie Nielsen, Al Manbeian, Rick Jones, Shawn Milne, LeGrand Bitter

Staff present:
Cliff Strachan, Governor's Office of Management and Budget (GOMB)

Note: Additional information including related materials provided at the meeting and an audio recording of the meeting can be found at the Utah Public Meeting Notice Website (http://www.utah.gov/pmn). Information about the Privatization Board can be found at http://gomb.utah.gov/operational-excellence/privatization-board/.

1. Welcome and Introductions

Steve Fairbanks called the meeting to order..

Kimberley Jones, Manuel Torres, Randy Park, Jacquie Nielsen, Al Manbeian, and Rep. Johnny Anderson were excused.

2. Public Comment (10 minutes)

3. Board Business/Minutes

a. Minutes from January 14, 2016

No quorum was present so minutes were not approved.

4. Commercial Activities Inventory (CAI)

a. Workforce Services - Community Impact Fund and Olene Walker Housing Fund

Kimberley Schmeling, Finance Director, provided an overview of the Olene Walker Loan Fund and the Permanent Community Impact Fund (also known as CIB for Community Impact Board).

In discussion of the CIB, board members heard about the $53 million loan for a coal harbor, that the use of impact board funds are not for economic development programs but for resource extraction mitigation, and that traditional banks don't seem interested in the programs because potential interest and fees income is low as the state programs provide low cost funds.

In discussion of the housing fund, board members heard about mixed use housing being built by non-profits

and developers, and that though there are bankers on the board, they don't see this use of funds as profitable enough for banks to want to to these loans. Bob Myrick (a retired banker) noted that the financial community was supportive of the program when it was created because it helped layer loans in a difficult market segment.

B. State Loan Programs

Mr. Strachan reviewed the various tier one surveys done for loan programs in the state. Discussion on water loans moved to subsidization with Sen. Stephenson questioning the use of low cost loans to subsidize water provision and consumption.

5. Review Privatization of an Activity

6. Review Issues Concerning Agency Competition with the Private Sector

7. Other Business/Adjourn

Board members commented on Mr. Strachan's announcement that he was leaving GOMB at the end of April.

Motion: Steve Fairbanks adjourned the meeting. CARRIED

This year's meeting schedule is as follows:

June 9, 2016
September 8, 2016
November 10, 2016
January 12, 2017

All times are 2:00 PM to 4:00 PM