

Meeting Minutes **Utah State Privatization Policy Board**

Wednesday September 22, 2010 10:00 a.m. State Capitol, Room 450 Salt Lake City, Utah

Attendees

Randy Simmons, Curtis McCarthy, David Osborn, Jim Kesler, Gary Nielsen, Senator Stephenson, Steve Densley, Representative Hunsaker, Robin Riggs, Kerry Casaday, Kent Beers, Alan Bachman, Nancy Orton, Chris Bruhn

Excused

Kim Jones, Senator Goodfellow

Visitors

Todd Losser, Royce Van Tassell, Chris Caras, Jill Laws, Kim Gibb, Nanette Rolfe, Mike Cutler, Dan Parkinson, Matt Cohen, Patrick Price, Jill Flygare, Steve Werner, Amy Lightfoot, Candace Ware, James Behunin

Welcome and Introductions and Approval of Minutes

Curtis McCarthy, Vice Chair conducted the meeting. Randy Simmons moved to approve the minutes from the August 25, 2010 meeting. Gary Nielsen seconded. The Board voted unanimously to approve the minutes.

How do Private Companies Help the Forest Service Manage their Campgrounds?

Steve Werner – American Land and Leisure

- American Land and Leisure has been in the campground business for 22 years with a full time corporate staff in Orem. They take care of 450 campgrounds in 11 states. They have 600 employees and 1/3 of their business is in Utah. They gross about 11 million dollars per year.
- The Forest Service Permits are how they make their money. They have worked with Forest Service since the 80's when they were running into financial difficulty. They then enacted some legislation that would allow private companies to partner with them and take care of campgrounds. Approximately 70% of their campgrounds are taken care of by private companies. The other 30% is still managed by the Forest Service.
- The Forest Service is like a landlord and American Land & Leisure is like a tenant. Every year a detailed operative plan is presented to the Forest Service
- The amount that goes to the Forest Service comes off the gross. They make between 5% and 15% off that money. American Land & Leisure hopes to make 5% to 7%. www.rec.gov has all the information on campground areas.

How has the Military Partnered with Private Companies to Better Manage their Assets

Matt Cohen, Patrick Price – MWH Global

- What MWH does is help the Federal Government write the solicitation, take it to the private sector and get bids back.
- Their biggest client is the Air Force. In the 90's the Air Force had a problem with inadequate housing. In 1996 congress passes a legislative bill called the Military Housing Privatization Initiative. This gave the military authority to privatize housing.
- The Air Force has privatized housing on 44 bases. What would have been a 6 ½ billion development cost for them and has translated into 423 million dollars of expenditure.
- MWH also helps the Air Force with asset activity management. This means they help them look at all their assets in a master plan capacity.
- Privatization is not a short term solution and requires a financial commitment.

- MWH is an international company headquartered out of Broomfield, Colorado. They have 7,000 employees in 37 countries and have the resources to give the State of Utah anything it needs. The Real Estate Resources Team is based in S.L.C.

How Have Private Companies Helped Cities and States Better Manage Public Golf Courses

Mike Cutler, Dan Parkinson – Billy Casper Golf

- Billy Casper Golf is the number one provider of golf nationwide, privately held and get involved where it makes sense. They own or lease almost half of their properties.
- Mike Cutler explained the different ways that several facilities were run and how they improved business for them.

Public Safety

- Chris Bruhn after reviewing Public Safety's survey felt that the area where privatization may work is in the Driver's License Division
- Public Safety has not considered privatizing any of their licensing facilities. They have some contracts with private entities to perform functions within the division. They a contract with Ensure Rite to operate the uninsured motorist database, to produce drivers licenses, armored car services and security guards.
- Kent Beers asked Public Safety to look at Ohio who has privatized over the next month and to give their perspective on the plusses and minuses of the Ohio privatization operation.
- When a drivers license is issued now it is tied to Real ID and you now have to go physically into the division and give documentation of who you are so they have to store sensitive information which is a big security issue. This involves extra training to employees.

Next Meeting

October 27, 2010 at 10:00 in room 450 of the State Capitol