

SALT LAKE COUNTY

*2001 S State Street, N2-800
Salt Lake City, UT 84114*



Meeting Minutes

Wednesday, January 29, 2020

2:00 PM

Room N2-800

Debt Review Committee

1. Call to Order

Present: Chair Scott Tingley
Committee Member Wayne Cushing
Committee Member David Delquadro
Committee Member Darrin Casper
Committee Member Ralph Chamness
Committee Member Javaid Majid
Committee Member Brad Kendrick

Also in attendance: Jon Bronson (Ex-officio Committee Member); Jennifer Durham and Roswell Rogers (Auditor's Office), Shanell Beecher (Mayor's Finance), Mitch Park (Council Office), Steven Van Maren (Public), and Gayelene Gudmundson (Clerk's Office).

The meeting was called to order by Chairman Tingley.

2. Public Comment

Mr. Steve Van Maren stated he attended the meeting today because he wanted to hear more information regarding the pricing book.

3. Approval of Minutes**3.1 Approval of 11/20/2019 Meeting Minutes**[20-0075](#)

Attachments: [DRC Minutes 11.20.19](#)

A motion was made by Committee Member Chamness, seconded by Committee Member Majid, to approve the November 20, 2019, minutes. The motion carried by a unanimous vote.

4. Financial Advisor Updates**4.1 Review Pricing Book for \$39,615,000 Issue Sold in December**[20-0076](#)

Mr. Jon Bronson, Zions Public Finance, presented the following updates:

- PowerPoint handout showing the interest rate trends for the municipal market, the 2020 SBOA Lease Revenue Bonds, an update on the Utah State Correctional Facility, Demographics, job growth of 50 states since 2000, the unemployment rate in Utah since 1976, household income per capita since 2000, Utah median home prices since 1990, the real estate foreclosure rate, Utah annual taxable sales since 1996, Utah non-store retail sales tax collections since 2009, budget stress testing results for 2019, Utah Retirement System funding ratios since 2000, and the significant characteristics of the State's population.

Committee Member Cushing asked if Utah's average household size of 3.12 is still the highest in the United States.

Mr. Bronson stated yes, it is significantly higher than the national average at approximately 2.3.

- Pricing book for the \$39,615,000 General Obligation Bonds, which were sold in December.
- Convention Hotel Revenue Bonds for \$44,970,000. He stated these Bonds are federally taxable. This is not a debt of Salt Lake County, its only liability is to pass through revenues to the trustees.

5. Discussion Items

5.1 Revision of Debt Review Ordinance

[20-0077](#)

Attachments: [Debt Review Ordinance 11.20.19](#)

Mr. Craig Wangsgard, Deputy District Attorney, reviewed the proposed amendments to the Debt Review Ordinance. The amendment includes the following sentence: *“For purposes of calculating the Issuance Fee, principal shall include any premium paid at issuance.”* This allows Salt Lake County to capture the fee for the premium amount and not just the principal amount.

Committee Member Majid stated he is concerned with increasing the fees because conduit bond issuance really helps the economy.

Mr. Wangsgard stated he proposed this change because the District Attorney's office spends a lot of County resources on these bonds.

A motion was made by Committee Member Casper, seconded by Committee Member Chamness, that this Debt Review Committee recommend to the Salt Lake County Council approval of this ordinance. The motion carried by a unanimous vote. Committee Member Delquadro was absent for the vote.

6. Other Committee Business

➤ Homeless Shelters

Committee Member Cushing asked if there were going to be any type of bonds issued for the homeless shelters.

Committee Member Casper stated yes, bonds will be issued. Currently, members from his staff are in San Diego, California, attempting to get approval for New Market Tax Credits on behalf of Shelter the Homeless. This would be very helpful to Shelter the Homeless and would lessen the risk to Salt Lake County. The County has spent approximately \$17.5 million on this project.

Mr. Bronson asked if there has been any donations for this project.

Committee Member Casper stated the County has received enough funds to fully fund the Debt Service Reserve Fund, which is more than \$1.5 million.

Ms. Shanell Beecher, Mayor's Finance, stated \$800,000 will go towards the purchase of the additional land surrounding the shelter.

➤ Purchase of natural gas

Committee Member Casper stated the County purchased natural gas at a rate of \$2.37 per unit. The spot price for December was \$3.40 and it is expected that this cost will go higher in January. This purchase will result in a savings of about \$250,000 this year.

➤ Defeasance of Bond Debt

Mr. Bronson stated his office is looking into the possibility of defeasance of debt for refunding opportunities. The idea is to take County cash and put it into an escrow account to handle payments on bonds until the call date occurs. Once the fund is

populated with cash or U.S. Government Securities, it can be taken off the books.

➤ Housekeeping items

- Request for everyone to sign the roll and include contact information
- Agenda items due at noon the Friday before the meeting
- Utah Open Meeting Act training coming up
- Introduced Jennifer Durham, Auditor’s Office, who will doing the agendas for this year
- The Clerk’s Office will be doing the minutes for the Debt Review meetings

7. Adjournment

A motion was made by Committee Member Cushing, seconded by Committee Member Majid, to adjourn the Debt Review Committee meeting until Wednesday, February 26, 2020 at 2:00 PM. The motion carried by a unanimous vote.

SHERRIE SWENSEN, COUNTY CLERK

By _____
DEPUTY CLERK

By _____
CHAIR, SALT LAKE COUNTY DEBT REVIEW COMMITTEE