

SALT LAKE COUNTY

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



Meeting Minutes

Wednesday, October 28, 2020

2:00 PM

Online/Phone Attendance Only

Debt Review Committee

1. Call to Order

Excused: Committee Member Ralph Chamness
Call In: Chair Scott Tingley
Committee Member Wayne Cushing
Committee Member David Delquadro
Committee Member Darrin Casper
Committee Member Javaid Majid
Committee Member Brad Kendrick
Ex-Officio Member Jon Bronson

Consistent with provisions of the Utah Open and Public Meetings Act, Utah Code Ann. § 52-2-207 (4), and acting in my capacity as Debt Review Committee Chair, I hereby make the following written determinations in support of the Committee’s decision to hold and convene electronic meetings of the Committee without a physical anchor location:

1. Conducting Committee meetings with an anchor location that is physically accessible for members of the public to attend in person presents a substantial risk to the health and safety of those who may be present at the anchor location; and
2. This determination is based upon the following facts, among others:
 - a. Salt Lake County remains under a state of public health emergency related to the ongoing COVID-19 pandemic, and significant, continued person-to-person transmission of the SARS-CoV-2 virus continues to occur in Salt Lake County;
 - b. State and local health authorities have adopted Utah Health Guidance Levels, located at <https://coronavirus.utah.gov/utah-health-guidance-levels/> which orders jurisdictions, including Salt Lake County, to take precautions including allowing “in-person interactions in decreased group sizes that enable all physical distancing guidelines to be maintained”;
 - c. Mayor Jennifer Wilson has ordered that the Salt Lake County Government Center be open to the public on an “appointment only” basis during the current period of Salt Lake County Government’s phased re-opening;
 - d. Public health authorities, including the Salt Lake County Health Department, recommend that the health and safety of Committee members, County officials and employees, staff, and members of the public is best served by holding electronic meetings of the Committee with limited in-person interaction of fewer than 10

persons;

e. The Committee has prepared for and demonstrated the ability to effectively conduct its public meetings electronically, including providing members of the public means to observe the Committee's meetings and provide comments electronically.

These written determinations shall be read into the minutes at the beginning of the Committee's Meetings, held in Salt Lake City on October 28, 2020, and at future Committee meetings as appropriate. Committee staff are instructed to continue including in the public notice information on how a member of the public may view and make comments at the Committee's electronic meetings.

This written determination is effective until midnight on November 28, 2020, and may be re-issued by future written determinations of the Chair at that time.

Dated this 28 day of October, 2020

Debt Review Committee

By: /s/ SCOTT TINGLEY
Scott Tingley, Chair

2. Public Comment

3. Approval of Minutes

3.1 Approval of 10/14/2020 Meeting Minutes

[20-1067](#)

Attachments: [101420.pdf](#)

Committee Member Tingley stated Greg Folta, Finance Director, Mayor's Finance, attended the last meeting in place of Committee Member Majid. He asked if the intent was for Mr. Folta to be Committee Member Majid's proxy.

Committee Member Majid stated he did.

A motion was made by Committee Member Casper, seconded by Committee Member Majid, to approve the minutes, with the amendment to reflect that

Greg Folta, Finance Director, Mayor's Finance, was attending as Committee Member Majid's proxy. The motion carried by a unanimous vote.

4. Financial Business

4.1 Market Update

[20-1069](#)

Mr. Mike Imhoff, Senior Vice President and Managing Director, Institutional Fixed Income Capital Markets Group, Stifel, presented Stifel's Taxable Market Update reviewing the tax-exempt and taxable interest rate movement for municipal market data (MMD) and U.S. Treasury (UST) yields, new issue supply and demand, the U.S. Economic Calendar of key events and data releases, interest rate forecasts, annual issuance statistics, taxable issuance, and the Municipal Securities Rulemaking Board (MSRB) disclosure.

Committee Member Majid asked if the County needed to change the December 2nd pricing date.

Mr. Imhoff stated a lot of late November/early December debt is being moved forward, so that week is setting up to be a good week for economic data. He liked pricing in the first week of December because there are a large number of interest payments on bonds that mature on December 1st, and it is a time where investors are looking to put money back to work.

Mr. Kelly Murdock, Director, Public Finance, Stifel, stated the U.S. Economic Calendar is a snapshot of the next few days. Stifel will update that as it gets closer to the bond sale.

4.2 Due Diligence - \$8.355M GO Refunding Bonds, Series 2020

[20-1068](#)

Attachments: [pSaltLakeCountyUT\\$8.335MTaxableGORefOct262020.pdf](#)

Due Diligence

Mr. Jon Bronson, Senior Vice President, Zions Public Finance, reviewed the Taxable General Obligation Refunding Bonds, Series 2020, stating Stifel is acting as underwriter on the County's General Obligation (GO) Bonds, Series 2020. Ryan Bjerke, Partner, Chapman & Cutler, is acting as both

bond counsel and disclosure counsel. Then, the trustee and paying agent is going to be Bank of New York Mellon Corporation.

He reviewed the refunding of the 2022 through 2031 maturities of the 2012 GO bonds for savings, including advance refunds of \$8,035,000 of principal, call date, the change issue from tax exempt to taxable, the current net present value (NPV) savings estimate, and the negative arbitrage. He also went over the calendar and the structure looking at \$8,390,000 taxable, with level debt service to produce roughly level savings of \$30,000 per year, the first interest payment on June 15, 2021, and the first principal payment on December 15, 2021, the debt service schedule, coupons & yields, and making whole the call provision for the first 10 years, and a par call for anything after that. He asked if Mr. Murdock was assuming these would be issued at par as taxable bonds.

Mr. Murdock stated yes, he was assuming that, but he could also look at the use of slight premiums.

Committee Member Casper stated the County's sole goal is rate reduction, so however, it can get to the lowest rate would be great.

Mr. Bronson stated he thought par would be fine.

Mr. Murdock asked if given that these were general obligation bonds, there was any need for the refunding par amount to stay within a certain range.

Mr. Ryan Bjerke, Partner, Chapman & Cutler, stated Stifel has the authority to issue more than the amount being refunded.

New Preliminary Official Statement

Mr. Eric Pehrson, Senior Vice President, Zions Public Finance, reviewed the Preliminary Official Statement (POS) on the GO Refunding Bonds, Series 2020, stating not much has changed from two weeks ago, other than this is a GO Refunding Bond, and all of the ad valorem taxes from the tax collection record are shown. He reviewed what had changed, including the ad valorem taxes, the addition of the property tax discussions, the public hearing, the history of the taxable values, tax collection records, the management discussion, a portion of the Hogle Zoo-Tracy Aviary tax

exempt bonds being replaced with federally taxable bonds, and some corrections regarding risk management.

Mr. Murdock stated the POS is very complete and in terrific shape. He just had some nits to discuss with his internal group. He asked what the proposed sale date was on the 2020B refunding that the County is in the middle of.

Mr. Bronson stated that date is November 18th, and the closing is supposed to be on December 2nd. That is the same day Stifel is selling, so he may propose changing that closing date to December 1st, so it is done by the date Stifel sells its issue.

Mr. Murdock stated Stifel needed to do its own due diligence independently from what J.P. Morgan did, including verification of the County's compliance with 15c-2-12. He asked if the County had written policies related to that.

Mr. Bronson asked Ryan Bjerke if he could get Stifel policies on post closure procedures and 15c-2-12 for the County. He asked if the due diligence questionnaire the County did for the sales tax bond could be shared with Stifel.

Mr. Bjerke stated he would have to get his client's permission to share that, but the County could choose to share that.

Committee Member Casper stated Zions Public Finance can share that with Stifel; it is public information.

Committee Member Majid asked if the rating agency presentation could be forwarded to the underwriter.

Mr. Bronson stated he could share that if the County gave him permission to do so.

Mr. Bjerke asked if there had been any material changes to the discussion of two weeks ago, particularly as it related to the County's financial situation with Covid and any legal challenges.

Committee Member Casper stated there may be material challenges now that the County proposed a 2021 budget, but they are materially better. The County brought its operating costs down to meet what it anticipated would be a pessimistic revenue scenario. As a result, he expected the General Fund to exceed the statutory cap, in which case, the County could receive an audit finding from the State Auditor's Office for that. He did not know of any pending liabilities.

Mr. Craig Wangsgard, Deputy District Attorney, stated no action was pending that would attack any issuance of debt or the County as an entity.

Mr. Bjerke asked if a summary of the last report to the County Council regarding sales taxes could be included as part of the disclosure.

Committee Member Casper stated he could provide a summary of that.

Mr. Bjerke stated where shifting focus to property tax collection, there is a statement that says the collection rate ranges from about 97.8 percent to 97 percent flat. He asked if there were any preliminary prepayments at this point that would indicate whether that was a good target.

Committee Member Cushing stated so far this year, the County Treasurer's Office has collected \$47 million more from last year and 7,000 more parcels collected than last year. The Treasurer's Office did send notices earlier this year to give people more time to deal with their payment. The Treasurer's Office has had a few calls from businesses looking for some relief on commercial property, but not a lot.

Mr. Rod Kitchens, Budget Director, Mayor Finance, stated the County is seeing low supply and high demand in the housing market. People are not selling existing homes, but new home sales and construction permit values were doing well. That may play into the impact on collection rates.

Committee Member Tingley stated the Auditor's Office saw a record low number of property tax appeals this year, and most people appeal their property taxes when they are having tough economic times.

Mr. Bronson stated the County has until November 15th to make comments or suggestions on the new GO Preliminary Official Statement (POS).

4.3 Other Financial Business[20-1070](#)**5. Other Committee Business**

Committee Member Tingley stated the next Debt Review Committee meeting is scheduled for Wednesday, November 18th, ahead of the Thanksgiving holiday.

Mr. Bronson stated that is the day of the sales tax bond sale. Zions Public Finance will try to have final results by the meeting, but may not have the pricing book done then.

Committee Member Cushing asked if a meeting was necessary. The Utah Association of Counties (UAC) is having its conference that week, and that may be a travel day for those who are going.

Committee Member Tingley stated he would plan on cancelling the November meeting, unless there is a need for one.

6. Adjournment

The meeting was adjourned at 3:10 PM.

SHERRIE SWENSEN, COUNTY CLERK

By _____
DEPUTY CLERK

By _____
CHAIR, DEBT REVIEW COMMITTEE