

SALT LAKE COUNTY

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



Meeting Minutes

Wednesday, September 30, 2020

2:00 PM

Online attendance only

Debt Review Committee

1. Call to Order

Call In: 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
Ex-Officio Member Jon Bronson

Participated electronically: Ben Hokanson, John Petcol, and Shanell Beecher (Mayor's Finance); Jennifer Durham and Roswell Rogers (Auditor's Office); Craig Wangsgard (District Attorney's Office); Mitchell Park (Council Office); Marcus Keller, Eric Pearson, and Jeanette Harris (Zions Public Finance); Brad Patterson and Shenelle Salcido (Gilmore Bell); Gayelene Gudmundson (Clerk's Office) and Steve Van Maren (Citizen).

Chairman Scott Tingley called the meeting to order.

2. Public Comment**3. Approval of Minutes****3.1 Approval of 6/24/2020 Meeting Minutes (last meeting held) [20-0918](#)**

Attachments: [DRC Minutes 06.24.20](#)

A motion was made by Committee Member Majid, seconded by Committee Member Casper, that this agenda item be approved. The motion carried by a unanimous vote.

4. Financial Business**4.1 Market Update [20-0926](#)**

Mr. Marcus Keller, Assistant Vice President, Zions Public Finance, presented a Market Update for September 2020, based on the J.P Morgan municipal market summary.

4.2 Review of 7/29 TRAN 2020 Price Book [20-0920](#)

Attachments: [Pricing Book SL County TRAN 2020](#)

Mr. Marcus Keller, Assistant Vice President, Zions Public Finance, updated the Committee on the \$65,000,000 Tax and Revenue Anticipation Notes, Series 2020. He stated the County had eight bids for these notes. Morgan Stanley was the winner. The notes were sold at a good time.

Mr. Jon Bronson, Zions Public Finance, stated Morgan Stanley has won the last two bids on notes sold by the County.

**4.3 Proposed \$20M Sales Tax Revenue and Refunding Bonds, [20-0921](#)
Series 2020B**

Attachments: [Distribution List SL County \\$ M STRRB 2020B](#)
[COE SL Co \\$20M STRRB \(2010D BABs\) 9-23](#)

Mr. Jon Bronson, Zions Public Finance, reviewed the \$20,240,000 Sale Tax Revenue Refunding Bonds, Series October 20, 2020B (Refund Series 2010D BABs: Market with a February 1, 2030 call.) He stated these bonds were issued using taxable rates, with a subsidy payment from the Federal Government. If the County does the refunding of these bonds, they will be Sales Tax Exempt Bonds because the refunding would be done in advance of the call date.

Committee Member Majid asked about the \$195,000 the County has set aside to pay the debt service on November 1, 2020.

Mr. Bronson stated the County can deal with the \$195,000 in whatever way it wants to. He just assumed it would want to put this amount into the refunding to lower the par amount. This is the amount the County would be setting aside between November 1 when the payment is due and the closing date of December 2.

Committee Member Majid stated he would rather not use the money because a subsidy is pending from the Internal Revenue Service (IRS).

Mr. Bronson stated he would not include it, but it would reduce the savings the County would receive by the \$195,000. He then went over the distribution

list and calendar. The calendar shows that a due diligence meeting would need to be held on October 14, 2020, to discuss the preliminary official statement.

Committee Chair Tingley asked if Committee Members would be available for this special meeting.

All Committee Members indicated they would be available in the afternoon of October 14, 2020.

4.4 Other Financial Business

[20-0927](#)

Mr. Jon Bronson, Zions Public Finance, brought up the following additional financial business for the Debt Review Committee to consider:

➤ General Obligation Bonds Series 2012

Mr. Jon Bronson, Zions Public Finance, stated Kelly Murdock, Stifel, Nicolaus & Company, identified the Build America Bonds' (BABs) refunding savings on the County's Series 2012 General Obligation Bonds that were issued for Hogle Zoo and the Tracy Aviary in 2012. There are two options the County could consider. The first option would be to issue the bonds as Taxable Advance Refunding Bonds or the County could wait until 90 days, before the call date and issue the bonds. There are savings either way, but if the County waited until the 90 days then it would be taking a risk that interest rates would go up. Zions Public Finance ran the numbers as well and determined the rates varied a lot between a low interest rate range of \$445,310 in savings and a high interest rate range of \$369,264 in savings. The 90-day closer to call date savings would be approximately \$716,000. If rates increased 60 to 70 basis points between now and September, it would be better to pull the trigger now.

Committee Member Casper stated he would like to give this work to Stifel, but was not sure if an RFP would be needed. This does not provide the County with any savings, but it does provide savings to the taxpayers.

Mr. Craig Wangsgard, Deputy District Attorney, stated he would look to see if an RFP was needed and get back to Mr. Casper.

Mr. Marcus Keller, Assistant Vice President, Zions Public Finance, stated it might make sense to wait until after the election; if tax rates increase it would make the Tax Exempt Bonds more valuable.

Committee Member Casper stated this should be calendar now; it exceeds all of the County's requirements.

Mr. Bronson stated the calendar will be different depending on whether an RFP was needed. He would like to present this to the rating agencies.

Mr. Eric Pearson, Zions Public Finance, stated he could have a draft ready for both options.

Committee Member Casper stated he would like to talk with Mr. Wangsgard first to determine if an RFP is needed.

➤ Audit Request

Mr. Bronson asked if someone from the County was dealing with the audit request from the IRS on the Huntsman conduit issue. He stated he thought the County could just invoke the agreements and sent them back to the IRS.

Mr. Craig Wangsgard, Deputy District Attorney, stated his office did invoke the agreements and sent them. The IRS did not have a problem with that. Gilmore Bell has been hired to help the IRS with the audit.

➤ Legal Issue - Mountain Accord Study

Mr. Bronson stated the Salt Lake County Republican Party has had on its Facebook site an article and video defaming Zions Public Finance and the Mountain Accord study, which was done by Susie Beecher. The Republican Party is alleging that Ms. Beecher was pressured by Scott Anderson, Zions Public Finance, for an outcome of the study to be one that former Mayor Ben McAdams wanted. This allegation is totally false because Mr. Anderson was not aware that a study was being done. This matter has been turned over to the legal department of Zions Public Finance.

➤ Public Improvement District (PID) Policy

Mr. Bronson asked if the Public Improvement District (PID) policies were approved during the September 29, 2020, Council meeting.

Committee Member Delquadro stated this was not on the Council agenda for the 29th. However, it was considered during the Steering Committee held on September 28th.

Committee Member Casper asked Mr. Bronson and Mr. Keller to look over the final draft for this policy before it is placed on the Council agenda.

Mr. Bronson stated he would look over it, but has not seen the final draft yet.

Mr. Mitchell Park, Legal Counsel, Council Office, stated the policy is complicated and Council Members are studying it. The policy should be on the agenda prior to the budget discussions.

5. Other Committee Business

Committee Member Majid asked if the regular meeting of the Debt Review Committee would still be held on the 28th, of October. The Committee will be holding a due diligence meeting on the October 14th.

Committee Chair Tingley stated it is on the schedule, but if there are no other agenda items between the 14th and the 28th it could be canceled.

Committee Member Cushing stated the Committee could wait until the 14th to see if there are any additional items before canceling the meeting.

6. Adjournment

The meeting was adjourned at 3:20 PM.

SHERRIE SWENSEN, COUNTY CLERK

By _____
DEPUTY CLERK

By _____
CHAIR, DEBT REVIEW COMMITTEE