

SALT LAKE COUNTY

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



Meeting Minutes

Wednesday, October 26, 2022

2:00 PM

Room N2-800

Debt Review Committee

1. Call to Order

Present: Chair Wayne Cushing
Committee Member David Delquadro
Committee Member Mitchell Park
Ex-Officio Member Marcus Keller

Call In: Committee Member Chris Harding
Committee Member Darrin Casper
Committee Member Ralph Chamness
Committee Member Javaid Majid

2. Public Comment**3. Approval of Minutes**

Approval of Minutes from May 25 2022 Meeting

[22-1059](#)

Attachments: [DRC Minutes 052522](#)

A motion was made by Committee Member Park, seconded by Committee Member Delquadro, that this agenda item be approved. The motion carried by a unanimous vote. Committee Member Harding was absent for the vote.

4. Discussion Items

Zions Bank - Market Update and 2023 Debt Book

[22-1060](#)

Ms. Jeanette Harris, Vice President, Zions Public Finance, reviewed the Debt Book, going over a summary of Salt Lake County and the Municipal Bond Authority of Salt Lake County's bonded indebtedness transactions for Fiscal Year 2022, which included the forward purchase agreements for the issuance of General Obligation Refunding Bonds, Series 2025A and Sales Tax Refunding Bonds, Series 2024A, and the defeasance of portions of the Taxable Sales Tax Revenue and Refunding Bonds, Series 2020, for Shelter the Homeless; as well as two bonds that will be paid Fiscal Year 2023, and the total bonded indebtedness of \$385,807,000. She also reviewed the outstanding bonded indebtedness for General Obligation; Municipal Building Authority (MBA) Lease Revenue; Sales Tax Revenue; Transportation Tax Revenue; Excise Tax Road Revenue; and Sales Tax Revenue Tourism, Recreation, Cultural, and Convention (TRCC) bonds; as well as an appendix showing the call dates for the bonds.

Mr. Marcus Keller, Vice President, Zions Public Finance, presented the

Market Update, reviewing J.P. Morgan's Municipal Market Update, including recent J.P. Morgan transactions, market commentary, interest rate forecasts, market monitor, yield curve rates and ratios, and strong municipal exchange-traded fund (ETF) inflows that may help support the market; short-term benchmarks - 2017 to present; a tax-exempt and taxable yield curve comparison; capital markets yield environment; inflation measures; and the Municipal Market outlook for October 20, 2022.

He stated inflation is close to 8.2 percent, which is unaffordable. Interest rates are expected to continue to rise through the beginning of next year, and then start coming down. Inflation is expected to come down then too. Now, due to the inverted yield curve, no one is doing refunding bonds because there are no savings. The County made a good decision refinancing when it did, as that option would be unavailable now.

Future Library Needs - Darrin Casper

[22-1061](#)

Mr. Darrin Casper, Deputy Mayor of Finance and Administration, reviewed the Library Services Division's plan, which included moving forward with a tax increase for the new libraries that have been built and the five-year plan, which included three new libraries that would require additional debt. He has been speaking with Craig Wangsgard, Deputy District Attorney, about this and they thought the Mayor could rely on the reimbursement resolution the Council already approved for new libraries, and that it would be valid for a new West Valley Library too. However, since the Library is not planning on spending money for those projects eminently, then it seemed prudent to go back to the Council for approval of an additional reimbursement resolution and to make sure the Council was clear on the debt plans. He was not sure it fully understood the ramifications of the long-term plan. There was confusion among Council Members over the last issue, so he wanted them to understand if the County issues debt in accordance with the long-range plan, in 2031, when that debt service fully kicks in, the County will need to increase taxes again. When the County does a Lease Revenue Bond through the Municipal Building Authority, it cannot make payment until it has certificate of occupancy, pursuant to state law, so the actual debt payments are backloaded. So, the Council's approval of the plan would bind a future Council.

Mr. Jim Cooper, Director, Library Services Division, stated when the

Council approved new buildings in 2016, he had thought it understood what that meant. With a new reimbursement resolution, he wanted the Council to understand this was for the acquisition and construction of a new building in West Valley City, the sequencing of a library at the Tyler location, and the purchase of real estate. It would bind a future Council unless the Council wanted to raise enough taxes to bank money for that.

Mr. Marcus Keller, Vice President, Zions Public Finance, stated within the past year, some of the major bond counsels have become more relaxed with the idea of not using capitalized interest, which means the borrower can make payment prior to receiving a certificate of occupancy.

Mr. Casper stated he was not sure paying early would save the County money, and it would negatively alter the five-year plan.

Committee Member Majid stated the Kearns Library is also coming due in 2026, and the County needed to figure how to fund that \$9.3 million.

Mr. Cooper stated that is built into the Library's long-range plan, so it has been accounted for, although receiving that money is dependent on what happens at the Truth in Taxation hearing on December 6, 2022.

Mr. Craig Wangsgard, Deputy District Attorney, stated he needed an estimate for the reimbursement resolution. The reimbursement resolution did not need to be too specific. It was just to put the public and Internal Revenue Services (IRS) on notice that the County intended to reimburse itself in the future. A reimbursement resolution is good for 60 days prior to its adoption, meaning the Library could be reimbursed for expenses it incurred 60 days prior to that adoption.

Ms. Leslie Webster, Associate Director for Finance and Operations, Library Services Division, asked if the amount for the Kearns Library needed to be included.

Mr. Wangsgard stated yes, that amount should be included.

5. Other Committee Business

Future Meetings

Committee Member Cushing stated typically, the November meeting is canceled each year, due to budget meetings. He will cancel that meeting this year, unless something comes up, and put in a placeholder for a meeting in mid-December.

6. Adjournment

The meeting was adjourned at 2:50 PM.

SHERRIE SWENSEN, COUNTY CLERK

By _____
DEPUTY CLERK

By _____
CHAIR, DEBT REVIEW COMMITTEE