

**TO: Mayor Jenny Wilson  
Catherine Kanter, Deputy Mayor, Regional Operations**  
**FROM: Darrin Casper, Deputy Mayor, Finance and Administration**  
**RE: MSD Fund Transfers**  
**DATE: September 13, 2019**

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In connection with the pending transition to the MSD of Planning/Development Services and Financial Services (currently scheduled for 9/30/19), it is anticipated the County will transfer certain funds to the MSD. This memo provides a brief background and recommendations for the fund transfers.

In May 2019, MSD General Manager, Bart Barker sent a letter (copy attached) to the Salt Lake County Treasurer requesting the County transfer \$25,723,000 to the MSD's Public Treasurers' Investment Fund (PTIF). I requested my staff conduct a review of the transfer request including an in-depth inquiry into the assets and liabilities of the operations and not simply the cash balances in various accounts. The in-depth review was necessary in part because the operations' liabilities are only stated in the county-wide financial statements and a portion of the fund balance is attributable to county operations prior to the creation of the MSD as it currently exists.

It should be noted that a portion of the funds needed to address this funding request have already been transferred to the MSD for 2018 activity in the total amount of \$7,223,719.

Additional funds will need to be transferred as part of the transition. Attached is a spreadsheet outlining the results of our due diligence inquiry, and below are my recommendations related to the transfer request.

<b>Description (figures are as of 9/11/2019)</b>	<b>Amount</b>
Fund balance with the County	\$21,080,213
Liabilities for which hold-backs are recommended:	
Debt service reserve for bonds issued in 2009 (MBA) and 2014 (STR)	-\$1,452,734
OPEB Liability for 25 employees/past employees (figure may change)	-\$641,674
Payments for compensated absences for PDS employees (figure may change)	-\$271,204
Indirect Costs for 9 months of 2019	-\$518,662
<b>Total additional recommended transfer amount</b>	<b>\$18,195,939.18</b>
Funds already transferred to the MSD for 2018 activity	<b>\$7,223,719</b>
Total recommended transfer (together with funds already transferred)	<b>\$25,419,658.18</b>

Of the total additional recommended transfer amount, it is currently estimated that \$11,482,038 represents funds for capital projects that were appropriated for specific projects by the County Council either prior to the formation of the MSD or when the Council was the MSD's governing board (see attached Table). It is recommended these funds be transferred with the following conditions: 1) the MSD agrees to timely complete the outstanding projects, and 2) the MSD releases and indemnifies the County from any liability in connection with the MSD's spending for those projects.

Because the scope of these projects may have changed since they were first approved, it is also

recommended the Public Works team and MSD staff work together to determine a final list and related scope of work for the projects noted in the attached table.

We further recommend our team in Mayor's Finance and the MSD fiscal staff work together to conduct a final reconciliation of funds so that the approved transfer can be made when the master ILA between the County and the MSD is executed (expected on or before September 30, 2019).

Please feel free to contact me if you have any questions.



GREATER SALT LAKE  
**Municipal Services  
District**

Salt Lake County Treasurer  
K. Wayne Cushing  
2001 South State  
Salt Lake City, Utah 84190

Trustees  
Joe Smolka, Chair  
Paulina Flint, Vice Chair  
Kelly Bush  
Sean Clayton  
Dan Peay  
Max Burdick  
  
Bart Barker  
General Manager

May 20, 2019

Dear Mr. Cushing,

We respectfully request that you transfer by direct transfer into our PTIF account #8481 or by check \$25,723,000, so we can continue fiscal operations.

We are currently showing the following funds in our PeopleSoft accounts:

Sum of Amount	Fund	Fund Descr	F 229	F 230	F 233	F 234	F 236	F 237	F 238	Grand Total
Account	Account Descr	MSD Capital Projects	Municipal Service	Copperton Metro	Emigration City/Kearns Metro	Magna Metro	White City Metro	Township		
302005	Cash-General Warrants		-57,200.02	-37,386.65	-21,742.05	-82,376.75	-68,942.91	-47,572.20		-396,330.67
302030	Cash-EFTs		-291,853.21	-93,822.95	-78,215.31	-78,957.37	-124,823.75	-61,600.55		-729,272.35
302025	Cash-Payroll Warrants		-345,734.37							-345,734.37
302030	Cash-PTIF-acc-Prop-Int		0.00							0.00
302035	Cash-Departmental Receipts		0.00							0.00
302050	Cash-Miscellaneous	14,636,483.65	11,434,327.10	286,204.05	337,367.52	361,334.12	393,786.66	365,435.55		27,434,938.65

We'd like to keep \$500,000 in the accounts in case things are posted to our account that we're not currently aware of and to cover two payrolls.

We will need to do a final reconciliation of funds prior to our receiving the balance of the funds, in case there are other revenue and expense items posted to our accounts.

In the future, we'd appreciate it if all further revenues are received by us directly by check or EFT.

We appreciate your help in this.

Respectfully,

Bart Barker, General Manager  
Greater Salt Lake Municipal Services District

cc: Shanell Beecher  
Robby Beasley  
Jared Steffey

MSD Fund Transfer Detail	Fund 229	Fund 230	Fund 233	Fund 234	Fund 236	Fund 237	Fund 238	Fund 270	Total	
			<b>Copperton</b>	<b>Emigration</b>	<b>Kearns</b>	<b>Magna</b>	<b>White City</b>			Fund balances as of 9/12/2019
Cash*	\$15,786,237.50	\$3,735,425.17	\$143,295.97	\$205,369.14	(\$72,569.29)	(\$40,927.28)	\$235,829.08	\$0.00	\$19,992,660.29	
Current Assets**		\$1,098,445.45							\$1,098,445.45	
Current Liabilities***		(\$2,392.56)	(\$8,500.00)						(\$10,892.56)	
<b>Fund balance with the County</b>	<b>\$15,786,237.50</b>	<b>\$4,831,478.06</b>	<b>\$134,795.97</b>	<b>\$205,369.14</b>	<b>(\$72,569.29)</b>	<b>(\$40,927.28)</b>	<b>\$235,829.08</b>	<b>\$0.00</b>	<b>\$21,080,213.18</b>	<b>Total Fund Balance with County</b>
*Amounts include restricted funds, incl Copperton Cemetery (\$57,033) and subdivision performance bonds for Emigration (\$19,441), Kearns (\$8,500) and Magna (\$38,496)										
**Nov and Dec (2018) unincorporated sales, b&c and franchise tax payable to MSD										
***Verification is required. \$8,500 appears to be entries by CJensen (correcting entry reversing a double entered tax accrual?). \$2,392 is also under review for possible correcting entry.										
<b>Total Fund Balance w/County</b>	<b>\$21,080,213.18</b>									
Debt service reserve	(\$1,452,734.00)	MSD pro rata amount for debt service on bonds; 2009 (MBA) and 2014 (STR).								
OPEB Liability	(\$641,674.00)	Liability for 25 employees; 11 past retirees, 4 current retirees, and 7 eligible employees. This figure could change due to decisions of 7 eligible employees.								
Compensated Absences	(\$271,204.00)	Vacation and sick payout for PDS employees due to RIF. Figure was originally calculated as of July 26 and may change when the RIF is effective.								
Indirect costs for 2019	(\$518,662.00)	Indirect costs for 9 months of 2019 based on the estimates calculated through the annual cost allocation plan.								
<b>Total rec transfer amount</b>	<b>\$18,195,939.18</b>									
	\$11,482,038.00	Capital Project funds approved by the County Council to be transferred with covenants for timely project completion.								
	<b>\$7,223,719.00</b>	Funds already transferred to the MSD for 2018 activity.								

**Table: MSD capital project funding appropriated by the County Council for 2017 and 2018 budget years. [SUBJECT TO CHANGE PER ONGOING DISCUSSION BETWEEN SLCO AND MSD]**

Project	Project Description	2018 Budget	2018 Expense	Remaining
CAP15_PRKOPSBLD	CAP 2015 Park Ops Building	\$ 175	\$ 175	\$ -
CB140003	ACHILLES DR CULVERT @ NEFFS	\$ 462,507	\$ 75,287	\$ 387,220
CI_120016	UNINCORPORATED BICYCLE TIP	\$ 83,103	\$ -	\$ 83,103
CI_120019	KILLYON-S CANYON	\$ 559,378	\$ -	\$ 559,378
CI6120012	EMIGRATION CANYON SLOPE STABIL	\$ 57,958	\$ 7,016	\$ 50,942
CJ_040014	ROSE CANYON RD IMPROVEMENTS	\$ 779,397	\$ -	\$ 779,397
CJ_080019	WOOD HOLOW AT REDWOOD RD CULVE	\$ 55,021	\$ -	\$ 55,021
CJ2130004	4700 S ENVIRONMENTAL	\$ 408,545	\$ -	\$ 408,545
CJ3090002	7200 W RECONSTRUCTION	\$ 40,395	\$ -	\$ 40,395
CJ5130001	2300 E SAFETY PROJECT	\$ 1,162,789	\$ 57,442	\$ 1,105,347
CJ5130002	1950 E @ MILLCREEK CULVERT REP	\$ 60,102	\$ -	\$ 60,102
EFCCB150001	8000 W, SR201 TO 4700 S	\$ 1,202,045	\$ 1,171,303	\$ 30,742
EFCCB150002	7200 W BRIDGE AT USL CANAL	\$ 135,207	\$ -	\$ 135,207
EFCCB160002	9400 S, 3000 E to 3100 E	\$ 103,656	\$ 880	\$ 102,776
EFCCB160003	3500 S, 7640 W TO 7690 W	\$ 119,546	\$ 16,277	\$ 103,269
EFCCB170001	100th S 2700 E Safety Improv	\$ 779,704	\$ 3,790	\$ 775,914
EFCCB170002	Western Drive Sidewalk	\$ 170	\$ -	\$ 170
EFCCB180001	DFS Dimple Dell Rd	\$ 12,000	\$ -	\$ 12,000
EFCCB180002	6200 S Misty Way SD	\$ 40,000	\$ -	\$ 40,000
EFCCB180003	4715 S 4015 W SD	\$ 75,000	\$ -	\$ 75,000
EFCCB180004	Mesa Drive Sidewalk	\$ 148,000	\$ 24,389	\$ 123,612
EFCCB180005	Carnation Drive Sidewalk	\$ 270,000	\$ 22,417	\$ 247,583

EFCCB180006	DFS Galena Drive	\$ 8,000	\$ -	\$ 8,000
EFCCBXX1002	CB OVERHEAD AND OTHER CHARGES	\$ 7,038	\$ -	\$ 7,038
EFCCBXX1004	CB MISC NON-CAP BRIDGE CULVERT	\$ 10,000	\$ -	\$ 10,000
EFCCBXX1005	CB MISC RIGHT OF WAY	\$ 9,181	\$ -	\$ 9,181
EFCCBXX1006	CB MISC TRAFFIC STUDIES	\$ 50,000	\$ -	\$ 50,000
EFCCBXX1007	CB MISC ROAD IMPROVEMENTS	\$ 10,000	\$ -	\$ 10,000
EFCEH170016	MSD SD Utility Fee Study	\$ 100,000	\$ 65,011	\$ 34,989
EFCMC150001	UPDES STORMWATER MONITOR SITES	\$ 21,364	\$ -	\$ 21,364
EFCMC160001	UNINCORP SD INSPECTION GPS/GIS	\$ 98,692	\$ 43,591	\$ 55,101
EFCMC160003	3100 S PATRICK DR DET REMOVAL	\$ 65,000	\$ -	\$ 65,000
EFCMC160004	Cougar Ln NW Ave Bikeway	\$ 9,133	\$ -	\$ 9,133
EFCMC160005	3100 S 8000 W Radar	\$ 1,298	\$ -	\$ 1,298
EFCMC160006	Meadowbrook Main Street	\$ 37,866	\$ 870	\$ 36,996
EFCMC160007	Sego Lily Bikeway 700 E-1300 E	\$ 20,000	\$ -	\$ 20,000
EFCMC160008	Magna Detention Ponds	\$ 359,510	\$ 796	\$ 358,714
EFCMC170001	Various Small Sidewalks	\$ 81,735	\$ -	\$ 81,735
EFCMC170002	900 E, 3900 S TO 4500 S SHLDER	\$ 78,849	\$ 78,368	\$ 481
EFCMC170003	9400 S Ski Connect	\$ 119,890	\$ -	\$ 119,890
EFCMC170004	Culvert Repair Dimple Dell Rd	\$ 196,800	\$ -	\$ 196,800
EFCMC170005	LCC Grit Mill	\$ 20,000	\$ -	\$ 20,000
EFCMC170009	3500 S Sdwk 7372 W-Centennial	\$ 135,500	\$ 125,895	\$ 9,605
EFCMC180001	Burnt Fork Rd, Pinecrest Rd SD	\$ 22,200	\$ 22,142	\$ 58
EFCMC180002	11400 S 1500E to 1600E Sidewk	\$ 200,000	\$ 1,445	\$ 198,555

EFCMC180003	9130 W Magna Main SD	\$ 5,000	\$ 328	\$ 4,673
EFCMC180004	Magna SD Master Plan	\$ 150,000	\$ 53,187	\$ 96,813
EFCMC180005	Willow Crk Open Water Canal	\$ 10,000	\$ -	\$ 10,000
EFCMC180006	5600 W Safety and Improvement	\$ 850,000	\$ 36,086	\$ 813,914
EFCMC180007	Kearns Wayfinding Bike Route	\$ 10,000	\$ -	\$ 10,000
EFCMC180008	Kearns RR Ped Crossing Study	\$ 20,000	\$ -	\$ 20,000
EFCMC180009	Kearns 5415 S Study	\$ 25,000	\$ -	\$ 25,000
EFCMC180010	Magna Wayfinding Signage	\$ 15,000	\$ -	\$ 15,000
EFCMC180011	Rotary Park SR-65 Sign Stripe	\$ 90,000	\$ -	\$ 90,000
EFCMCXX1000	MC STORM DRAIN SMALL PROJECTS	\$ 28,524	\$ -	\$ 28,524
EFCTB160001	MILLCREEK CYN UPHILL BIKE WALL	\$ 497,599	\$ 449,982	\$ 47,617
EFCTB170001	Camp Kearns Site Improvements	\$ 1,768,182	\$ 1,500,122	\$ 268,060
EFCTB170002	3900 S Bridge Access	\$ 14,000	\$ 8,222	\$ 5,778
MC140003	2014 TRAFFIC CALMING PROJECTS	\$ 114,578	\$ -	\$ 114,578
MC140009	3900 S SIDEWALK, SUNNYDALE	\$ 138,836	\$ -	\$ 138,836
MC140013	MILL CREEK CANYON BIKE LANES	\$ 165,879	\$ 38,069	\$ 127,810
MTP01	Misc. Metro Township CIP Project	\$ 160,606	\$ -	\$ 160,606
TB140001	8400 W PEDESTRIAN OVERPASS	\$ 2,742,082	\$ 121,662	\$ 2,620,420
TB140005	TWILIGHT DRIVE BIKE BLVD	\$ 220,589	\$ 72,858	\$ 147,731
TB140006	EMIGRATION CANYON TRANSP STUDY	\$ 368,282	\$ 131,263	\$ 237,019
<b>Grand Total</b>		<b>\$ 15,610,911</b>	<b>\$ 4,128,873</b>	<b>\$ 11,482,038</b>