

SALT LAKE COUNTY

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



Meeting Minutes

Wednesday, June 30, 2021

2:00 PM

Salt Lake County District Attorney Building room 1110

Debt Review Committee

1. Call to Order

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

2. Public Comment**3. Approval of Minutes****3.1 Approval of May 26, 2021 Meeting Minutes**[21-0796](#)

Attachments: [Salt Lake County Debt Review Meeting Minutes 2020-05-26](#)

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

4. Discussion Items**4.1 Financial Advisor Update**[21-0797](#)*Market Update*

Mr. Bob McKinney, Managing Director, Wells Fargo, delivered a presentation on the market updates, reviewing the tax-exempt interest rate movement; municipal fund assets inflows and outflows, including municipal bond fund flows; expected reinvestment dollars for 2021, including 2021 maturing principal; and interest rate projections, including Wells Fargo economist interest rate projections, Federal funds rate projections, and the 10-year and 30-year US Department of the Treasury rate projections.

4.2 Due Diligence for Municipal Building Authority Lease Revenue Bonds Series 2021[21-0798](#)

Mr. Jon Bronson, Senior Vice President & Managing Director, Zion's Public Finance, reviewed the MBA Lease Revenue Bonds, Series 2021. He

introduced the team: Bob Kinney, Wells Fargo, the County's underwriter; Ryan Bjerke, Chapman & Cutler, bond counsel and disclosure counsel; Brad Patterson, Gilmore Bell, underwriter's counsel; and Bank of New York Mellon is Trustee/Paying Agent/Registrar.

Projects

Granite Library

The Granite Library needs \$18,980,725 in proceeds. The estimated completion date is October 31, 2021, and the Certificate of Occupancy is to be delivered by December 15, 2021, to the Bank of New York Mellon. New York Mellon has to have that before the first payment on the 2019 Library Bonds, which is January 15, 2022. The Library Division is confident it can sign a Certificate of Occupancy by then. For the new bonds, he suggested doing capitalized interest through March 15, 2022. That gives three months wiggle room for the Certificate of Occupancy and a lot of possible options if the Library misses that date.

Daybreak Library

The Daybreak Library needs \$1,727,975 in proceeds. The estimated completion date is October 31, 2021, and the Certificate of Occupancy is to be delivered by December 15, 2021, to the Bank of New York Mellon. For the new bonds, he suggested doing capitalized interest through March 15, 2022. No extra capitalized interest is being recommended for the Daybreak project. The cost is \$710,000. Again, Fitch and S&P have been approached on these bonds.

Mr. McKinney stated if the Granite Library does not have a Certificate of Occupancy by the date that the first interest payment is to be paid, which is capitalized, it will have to wait until the next interest payment date. The County would not be allowed to appropriate to make that payment.

Mr. Bronson stated the County can engage in short term borrowing, if the Library misses the Certificate of Occupancy date.

Mr. Ryan Bjerke, Chapman & Cutler, stated the Library can make the payment; it just cannot be required under the lease, as per statute.

Mr. Bronson stated he spoke with the rating agencies Fitch and S&P. Fitch was not that concerned. However, S&P was concerned about the construction risk; it wants to see an organization reimburse itself. The Library is reimbursing itself for most of that money, but not all. The County needs to get that definitive amount to the Trustee.

Calendar and Structure

Mr. Bronson reviewed the calendar and structure. He stated in response to a question Committee Member Majid had about what the first interest payment was going to be, he explained that he was looking at amortizing the Daybreak Library, which is a small supplemental amount of \$1.7 million. If that is amortized early and the Daybreak project can be designated with the bonds that are paid out from this year's bonds, that could be done early. That would not allow the project to be released early because there would still be collateral under 2019.

Mr. Eric Pehrson, Zions Public Finance, stated Zions thought that would give the County flexibility if the building was destroyed.

Mr. Marcus Keller, Zions Public Finance, stated that would ensure that if the County decided not to refund the other bonds, it did not have this one lingering longer.

Mr. Bjerke stated the Preliminary Official Statement (POS) would indicate that the 2021 portion to Daybreak facility would not actually be released until the 2019 project was released, but that would be one year earlier than the Granite Library, which is associated with the fees bond.

Mr. Bronson stated Zions Public Finance talked about amortizing a full 20 years after, which is a longer capitalized interest period. It is still running the numbers, assuming a 5 percent coupon.

Comprehensive Annual Report

Mr. Bronson stated the Comprehensive Annual Financial Report is not reflected in this version of the Preliminary Official Statement (POS) because it just came out yesterday.

Mr. Pehrson stated he believed the County was going to be changing the name to Annual Financial Report (AFR), and he would make those changes in the POS.

Preliminary Official Statement

Mr. Pehrson reviewed the Preliminary Official Statement in detail getting input and clarification from Committee Members, Mr. Craig Wangsgard, Deputy District Attorney, Mr. Brad Patterson, Gilmore Bell, and Messrs. Bjerke, Keller, and McKinney.

5. Other Committee Business

Meeting Schedule

The committee canceled the July meeting and called a special meeting for Monday, August 9, 2021, at 2:00 PM.

6. Adjournment

The meeting was adjourned at 3:30 PM.

SHERRIE SWENSEN, COUNTY CLERK

By _____
DEPUTY CLERK

By _____
CHAIR, DEBT REVIEW COMMITTEE