
SALT LAKE COUNTY

Debt Review Committee

Debt Review Committee Meeting – MINUTES (approved)

Wednesday, October 25, 2017, 3:00 pm - Auditor's Office Conference Room N3-300
Salt Lake County Government Center
2001 South State Street, Salt Lake City, Utah 84190

ATTENDEES

Committee Members Present:	Other Attendees:
Scott Tingley (Auditor), chairman	Craig Wangsgard (District Attorney)
Cherylann Johnson (Auditor), member	Jana Ostler (Auditor)
Darrin Casper (Mayor's Finance), member	John Pectol (Mayor's Finance)
David Delquadro (County Council), member	Marcus Keller (Zion's Bank)
Jason Rose (County Council), member	Rod Kitchens (Mayor's Finance)
Javaid Majid (Mayor's Finance), member	Shanell Beecher (Mayor's Finance)
Jon Bronson (Zion's Bank), ex-officio member	
K. Wayne Cushing (Treasurer), member	
Ralph Chamness (District Attorney), member	
Committee Members Absent:	

AGENDA

Scott Tingley called the meeting to order at 3:15pm.

1. Public Comment

No public comment.

2. Approval of minutes – August 30, 2017 meeting

Jon Bronson suggested a minor change to the minutes. Ralph Chamness moved to approve the minutes of August 30, 2017, with the suggested change, Javaid Majid seconded the motion and all voted in favor.

3. Approval of minutes – September 27, 2017 meeting

Jon Bronson suggested a couple of minor changes to the minutes. Ralph Chamness moved to approve the minutes of September 27, 2017, with the suggested changes, Cherylann Johnson seconded the motion and all voted in favor.

4. Review of Pricing Book for GO Refunding Bonds Series 2017

Jon Bronson reviewed the Pricing Book for the GO Refunding Bonds, Series 2017 ([Sections 1 and 2 attached below](#)). Page one shows a graphic of all 17 bids and bidders. The difference between the highest and the lowest bids was only 11 basis points. Page 3 reviews the purpose of the bond issue and the refunding statistics. The Net Present Value (used to evaluate the savings associated with refinanced bonds) for this issue is \$1,641,056.56 or 5.763%. Savings for this refunding are uneven from year to year. This is explained on page 3 of the pricing book. The Sources and Uses of Funds section shows how the bond proceeds and premium are being spent. Mr. Bronson indicated that the Costs of Issuance came in about \$17,000 less than what the pricing book shows, so that amount will need to be collected from the escrow agent Bank of New

York Mellon. Mr. Bronson reviewed the bond structure, interest cost, call features, and other details of the bond issue, which can be found in the attachment below. Section 3 of the pricing book includes details of bids for comparable bonds recently on the market. In most cases the Salt Lake County GO Refunding Bonds received more favorable bids than the comparables, at least in the long end. The short end rates were not as good as the long end rates, but Mr. Bronson explained that the long end rates are more important because they have the most effect over time. Section 4 of the Pricing Book includes final pricing numbers broken down in different ways. There was little discussion about this section. Section 5 comprises the three rating agency reports. Mr. Bronson was pleased that the AAA ratings were reconfirmed for the Excise Tax Bonds by both S & P and Fitch. Overall the sale went well. Mr. Bronson asked if there is anything the Committee would like to see or not see in future pricing books. There was no response.

5. Financial Advisor Update

No Financial Advisor update besides what was already discussed briefly in the pricing book review.

6. Other

Javaid Majid brought a piece of correspondence to the attention of the Committee for help in identifying its purpose. Jon Bronson and Craig Wangsgard will look at it. Mr. Bronson brought up the issue of Senator Harper, Representative Shultz and the UTA bonds, and took the opportunity to explain that an agency cannot just pull the debt from one entity and put it into another entity. Transferring the debt violates the contract with the bond holders, even if the receiving entity has better credit. It is possible to refund all the debt into a new entity, but the original bonds must be refunded, thereby ending the original contract and creating a new one. Mr. Bronson added that unless the refunding takes place at or after the call date, refunding the bonds would make them taxable and therefore expensive. Although, as Craig Wangsgard pointed out, the County has done taxable refunding bonds and refunded bonds from one entity to another in the past, Mr. Bronson wanted to remind the Committee that they are complicated and potentially costly transactions.

7. Adjourn

Javaid Majid moved to adjourn the meeting, Jason Rose seconded the motion and all voted in favor. The meeting adjourned at 3:44 pm.