

Debt Review Committee
03/26/2014
10:00 AM

Attendees:

Alan Westenskow (Zion's Bank)
Craig Wangsgard (District Attorney's Office)
Francisco Quezada (Mayor's Finance)
Lonn Litchfield (Auditor's Office)
Michael Anderson (Auditor's Office)
Karl Goodman (Mayor's Finance)
Ralph Chamness (District Attorney's Office)
Jason Rose (County Council)
Wayne Cushing (County Treasurer)
David Delquadro (County Council)
Jon Bronson (Zion's Bank)
Darrin Casper (Mayor's Finance)
Javaid Majid (Mayor's Finance)
Jodiann Martin (Auditor's Office)
Lance Brown (Mayor's Finance)
Christina Oliver (Econ Development)

Financial Advisory Update

Debt issuers should use financial adviser. The SEC is developing a rule requiring licensing/registration of "Municipal Advisers." Underwriters have special exceptions to act within the rule. Underwriters have specific functions they are prohibited from doing. This applies to all underwriters. SEC can use this to manage banks and local governments. Municipal Advisers code of conduct includes fiduciary duties and other duties of disclosure. Zions has been following these rules. If proposed tax exemption reform takes place, bond interest rates may go up.

Reviewed new legislation (on handout).

Reviewed Market Report (on handout).

Reviewed Citi Public Finance Report, Year in Review (on handout).

Due to Fed action, treasury purchases may decline (April 2015), resulting in rate hikes.

Reviewed the Bond Buyer Index (on handout).

2014 Tax Anticipation Notes

Difficult to project needed funds. We have had a deadline of May 15. Rates tend to be better in June. Mayor's Finance needs time to assess the situation. Pushing it back may help because we could use a single audit, rather than two as we have done before. Tax increase was projected to increase

revenues by 16%. We should determine whether we actually need to issue the TANS. If the CAFR is not going to be complete, we need a draft CAFR in order to issue the notes in July.

Wayne Cushing: We may not have a cash problem until August or September.

Darrin Casper: PeopleSoft is creating some problems in gathering the information. We should continue as we have done in years past, but we may need a little more time.

David Delquadro: Council may not want to meet in July, we should plan for June.

Jason Rose: Council will meet for two Tuesdays in July.

Jon Bronson: Will draft a calendar and send it out to everybody.

Tax Compliance Policies for Bonds (Countywide Policy 3010)

(Handout of policy and narrative of how we have complied.) Debt review has responsibilities under this policy. We should get these discussions into the minutes.

Javaid Majid: how deeply do we need to look at bond-financed property, i.e., the park bond?

Jon Bronson: "Use" has a specific definition, and wouldn't apply to users of the parks, unless money changes hands for use, this policy probably doesn't apply.

Craig Wangsgard: Doesn't come into play in most of our operations.

Mayor's Finance, is in charge of maintaining records, but DA's office and Zion's Bank retains records. JB: We could expand a list of the records required to be retained. We will brainstorm possible records we could retain, perhaps as a checklist, not necessarily a fixed policy.

Other New Business

Wayne Cushing: Anticipated Bond issuances?

Darrin Casper: We will meet spend down for the DA's office. Fleet building going well. Parks bond 2015. ZAP on ballot. Health building.

Wayne Cushing: Second part of the bond is next year.

Darrin Casper: may be pushed back. There will be a new director of parks and rec.

Jon Bronson: Refunding bonds would end up costing you money, (\$33,000).

Lonn Litchfield: we need to discuss whether we want to extend the financial adviser contract.

Darrin Casper: Already extended.

(Adjourn: 10:15 AM)