

SALT LAKE COUNTY

2001 So. State Street
Salt Lake City, UT 84114



Meeting Minutes

Wednesday, July 30, 2025

2:00 PM

Room N2-800

Debt Review Committee

1. CALL TO ORDER

Present:

Committee Member Darrin Casper
Committee Member Ralph Chamness
Committee Member Greg Folta
Committee Member Mitchell Park
Committee Member Sheila Srivastava
Ex-Officio Member Johnathan Ward
Chair Chris Harding

Excused:

Committee Member David Delquadro

2. PUBLIC COMMENT

Mr. Steve Van Maren stated in the proposed Debt Review Committee Amendments ordinance, the County would be charging an entity a fee, but not until it decided to hold the public hearing. He felt that was too late in the process, as a lot of work could have already been done.

Mr. Craig Wangsgard, Deputy District Attorney, stated the ordinance says a deposit would be made to the County, but the County would not earn that deposit until it agreed to hold the public hearing.

3. APPROVAL OF MINUTES

3.1 Approval of May 28, 2025 Debt Review Committee Minutes

25-330

Attachments:

1. 052825 Debt Review Minutes

A motion was made by Committee Member Chamness, seconded by Committee Member Park, that this agenda item be approved. The motion carried by a unanimous vote.

4. DISCUSSION ITEMS

4.1 Debt Review Committee Review and Possible Recommendation Concerning an Ordinance Related to TEFRA Hearings

25-334

Presenter: Mitchell Park, Legal Counsel, County Council
(10 Minutes)

Discussion - Vote Needed

Attachments:

1. Debt Review Fees Ordinance

Committee Member Park stated the Internal Revenue Code requires a local public entity to hold a public hearing and make certain findings related to the issuance of tax-advantaged bonds by non-county entities. When the County is asked to hold one of these public hearings, it must provide the required notice, present the item, meet publication requirements, and perform other work. The amount of work for the County is not insignificant. He thought it would be appropriate for the County to try to capture the costs involved.

The ordinance provides an application fee of \$5,000 for holding one of these public hearings. The ordinance also included an attestation that the Debt Review Committee would only recommend the County's public approval of a bond issuance if no other governmental unit that had jurisdiction over the area that the facility would be established in was willing or capable of doing so. He asked the Debt Review Committee to vote to send this onto the Council for its consideration at a future meeting.

Committee Member Chamness stated the County can only impose a fee if it is an estimate of the actual cost to provide the service. When working on the ordinance, Committee Member Park outlined the amount of time everyone put in for one of these hearings. The \$5,000 application fee was a conservative estimate of the actual cost to the County.

A motion was made by Committee Member Chamness, seconded by Committee Member Casper, to send the ordinance to the Council for its consideration, with the recommendation of the Debt Review Committee. The motion carried by a unanimous vote.

4.2 Sales Tax Revenue Bonds Due Diligence/Document Review

25-356

Presenter: Johnathan Ward, SVP Zion's Bank; Jeanette Harris, Zion's Bank Representative.
(60 Minutes)

Informational

Attachments: None

Municipal Market Outlook

Mr. Johnathan Ward, Senior Vice President, Zions Public Finance, presented the Municipal Market Outlook for Thursday, July 24, 2025. He reviewed interest rate movements, bond buyer indexes, daily AAA Municipal Market Data (MMD) interest rates, and US Treasury rates. Mr. Ward stated the Federal Open Market Committee met today and kept the target interest rates the same, although two of the fifteen board members did not support that. The more members who dissent from that decision suggests more volatility in the market. The County will want to watch and monitor that. The Municipal Markets were fairly steady.

Calendar

Mr. Ward reviewed the calendar:

- Rating presentation: August 26
- Receive rating: August 29
- Distribute Preliminary Official Statement (POS) to market participants: September 1
- Bond sale: September 11
- Bond closing; September 25.

Adjustments can be made to those dates. If the interest rates are moving by 100 basis points the week the County is scheduled to sell the bonds, it would want to wait. If the basis points moved by only 2 to 5 points, that would be okay.

Ratings

Mr. Ward recommended the County explore using only one rating for this bond issue, rather than the traditional two ratings, to reduce costs. The recommendation is to go with just S&P Global Ratings. Fitch Ratings' fee is \$85,000, paid up front. Fitch Ratings also has a \$25,000 annual fee to review the credit built into its current fee schedule. Fitch Ratings has not charged anyone that annual fee yet, but it could in the future. If the County dropped that rating, it could avoid paying that fee. Having a second rating would reduce the County's true interest costs on its transaction by one basis point or more, and one basis point would save the County \$22,000. However, the County needed to save

four basis points or more to justify the extra expense of a second rating. Zions Public Finance talked to underwriters about the value of doing a second rating, and they said they could not demonstrate a comparable transaction with one or more ratings that indicated a market difference in the pricing scheme. More than 50 percent of outstanding bonds in the market today only carry one rating.

Committee Member Srivastava asked if reducing the number of ratings would result in a negative impact in terms of marketability because it led to people having less confidence in the County.

Mr. Ward stated if the County received different ratings from two rating agencies and then dropped the lowest rating, investors might perceive that as the County trying to hide something. Since both Fitch Ratings and S&P Global Ratings had historically rated the County the same, he did not see that as a big risk. However, there would probably be questions as to why the County dropped a rating. If so, the County would want to respond that it did not see the value of a second rating for this transaction. He did not think the County would see any negative implications, from a marketing perception, by using only one rating agency.

Committee Member Chamness asked why Zions Public Finance recommended dropping Fitch Ratings instead of S&P Global Ratings.

Mr. Ward stated the market reception is higher for ratings from S&P Global Ratings over Fitch Ratings. He could not find a related transaction that was sold with only a Fitch Ratings rating. S&P Global Ratings and Moody's had done stand-alone ratings.

Committee Member Folta asked what S&P Global Ratings' fee was.

Mr. Ward stated S&P Global Ratings upfront fee for a rating is about \$120,000 to \$125,000. It does not charge an ongoing fee.

Preliminary Official Statement

Mr. Johnathan Ward, Senior Vice President, Zions Public Finance, stated the \$113,970,000 Sales Tax Revenue Bonds, Series 2025, would generate \$120 million of construction proceeds, tax-exempt construction money. The County would repay that over a 25-year period with level payments. The first principal and interest payment would begin February 26th, in the next budget year, and it would be about \$8.9 million principal and interest. There would be a short period between closing and the first payment in February, but it would help expedite repayment of the bonds, which would reduce the County's costs. If the County would rather not make that payment, Zions Public Finance could adjust that. The anticipated call feature would be a little less than

10 years. Ten years is a standard, market-accepted call feature. If the County wanted to discuss the benefits or costs of a shorter call period, Zions Public Finance could do that as well.

Committee Member Casper stated the County would prefer to have \$122 million in construction proceeds, and that was before possible tariffs.

Mr. Ward stated Zions Public Finance would want to verify that the additional amount did not bump the County up against the approved maximum parameter.

Committee Member Casper stated that was below the \$125 million maximum parameter.

Mr. Ward stated the resolution authorized the par amount, which was \$113 million to \$114 million. If the County needed \$122 million in construction proceeds delivered, that would have a pre-tariff impact, and that would modify the construction amount somewhat, but it should be fine. He would have the quantitative team make the modifications and update the numbers to assume \$122 million in construction proceeds.

Ms. Jeanette Harris, Vice President, Zions Public Finance, reviewed the Preliminary Official Statement (POS) page by page, noting the Debt Review Committee's suggested changes. Ms. Harris stated she would have the updates made and send out a revised Preliminary Official Statement.

5. OTHER COMMITTEE BUSINESS

ADJOURN

The meeting was adjourned at 3:35 PM.

LANNIE CHAPMAN, COUNTY CLERK

By 

DEPUTY CLERK

By 

CHAIR, DEBT REVIEW COMMITTEE