

Utah Money Management Council

350 N. State Street, Suite 180
P. O. Box 142315
Salt Lake City, Utah 84114-2315
(801) 538-1883 (801) 538-1465 Fax
mmcouncil@utah.gov



MONEY MANAGEMENT COUNCIL MEETING
THURSDAY SEPTEMBER 17, 2015
AT THE UTAH STATE TREASURER'S OFFICE
350 NORTH STATE STREET
SUITE 180
3:00 PM

A G E N D A

1. APPROVAL OF MINUTES OF AUGUST 20, 2015
2. MONTHLY AND QUARTERLY REPORTS
 - A) Division of Securities
 - B) Department of Financial Institutions
 - C) Deposit and Investment report update
3. REVIEW REQUEST FROM A REGIONAL BROKERAGE FIRM TO CHANGE CERTIFIED DEALER REQUIREMENTS
4. DISCUSS RESPONSE TO ULGT (TABLED LAST MONTH)
5. DISCUSS WITH REPRESENTATIVE FOR CUWCD THEIR PLAN TO COMPLY WITH SECTION 51-7-23 (TABLED LAST MONTH)
6. DISCUSS MEMO DRAFT FROM MR. GREEN ON SECURITY MODIFIER
7. OTHER BUSINESS AS NEEDED
8. SCHEDULE NEXT MEETING AND ADJOURN

In compliance with the Americans with Disabilities Act, individuals needing special accommodations during this meeting should notify Kathy Wilkey, Administrative Assistant, at Room 180 State Capitol Building, (801) 538-1468.

Mark D. Watkins, Chair
US Bank
170 South Main St., Ste 600
Salt Lake City, UT 84101
Phone (801) 534-6209
mark.d.watkins@usbank.com

Kirt Slauch, Vice Chair
Key Bank
36 S. State Street, Ste 2500
Salt Lake City UT 84111
Phone (801) 297-5717
kirt_w_slauch@keybank.com

John B. Bond
Weber County
2380 Washington Blvd., Ste 350
Ogden, UT 84401
Phone (801) 399-8007
jbond@co.weber.ut.us

Douglas L. DeFries
Bank of Utah
2605 Washington Blvd.
Ogden, UT 84401
Phone (801) 409-5175
ddefries@bankofutah.com

Marina Scott
Salt Lake City
451 S State Street, Rm 228
Salt Lake City, Utah 84111
Phone: 801-535-6565
marina.scott@slcgov.com

**STATE MONEY MANAGEMENT COUNCIL-MINUTES
THURSDAY AUGUST 20, 2015**

The regular meeting of the State Money Management Council was held in the Offices of the Utah State Treasurer, 350 North State Street, Suite 180, at 3:00 p.m., Thursday August 20, 2015. In attendance were:

Kirt Slaugh, Vice Chair
John Bond
Doug DeFries
Ann Pedroza, Staff
Michele Black, Division of Securities
Tom Bay, Division of Financial Institutions
Michael Green, Attorney General's Office
Scott Burnett, Zions Capital Advisors
Ben Sehy, Moreton Asset Management

By telephone:
David Damschen, Deputy State Treasurer

Minutes of June 18, 2015 Meeting

The minutes of the June 18, 2015 meeting were approved unanimously.

Monthly Reports and Quarterly Reports

Securities Division:

Ms. Black noted that there were deletions to the Certified Broker Dealers list for Zions Capital Markets and Zions Direct. Ms. Black informed the Council that there is an addition of a new firm, Jeffries and Co. and one addition of an agent to Baird and Co. Ms. Black then passed out the Certified Investment Advisers list noting that there was one addition of an agent to Moreton Asset Management. Council reviewed the lists briefly.

Financial Institutions' Report:

Mr. Bay reviewed the monthly report as of July month end noting that Gunnison Valley Bank was at 94% usage of their allotment and that a letter was sent out in June. He then informed the Council that on this list there were only two financial institutions that have a reduction in allotment. He then informed the Council that the notice from the Fed for termination of the formal enforcement action on First Utah Bank was included in their information packet. Council then voted unanimously to re-instate the full allotment for First Utah Bank.

Acceptance of Reports:

It was motioned and seconded, and all of the above reports were accepted unanimously.

Review of Utah State Treasurer's June 30, 2015 D&I report

Ms. Pedroza presented the Treasurer's report to the Council informing the Council that she had verified all ratings met the criteria of the Act at time of purchase. She then noted that all holdings of individual issuers are within the 5% limitation of Rule 17. Ms. Pedroza then reviewed with the Council securities in the portfolio that had ratings adjustments since time of

purchase. Ms. Pedroza noted for the Council that the composite rating on the portfolio is an "A" by Bloomberg. Council discussed this information briefly.

Review of Letter and Information Requested from Utah Local Governments Trust

Council took a moment to read the letter from ULGT. Mr. Damschen noted that from the discussion in last months' meeting this entity is one that should be exempted from the maturity limitation. Mr. DeFries noted that the additional information proved that they are an insurance company and that they have future liabilities that need to be covered. Mr. Slauch noted that his thought was that they should be granted an exemption for the length on the maturities as requested in their letter until the Act is changed. Council discussed this with Mr. Green who noted that the language says in the Act that the entity shall provide a reasonable plan to bring investments into compliance and if the Council considers the letter to be a "reasonable plan", then they could do so. Mr. Green expressed that he needed to check case law to give Council a correct response. After further discussion, Council voted to table the response to ULGT to give Mr. Green a chance to provide Council with a response.

Discuss Compliance Plans from Entities Regarding Changes made to the Money Management Act by H.B. 314

The first plan is from CUWCD and it informs the Council that several water districts hold a piece of a hydroelectric bond issued by them that has a stated maturity of 2034, but that has a 90 day put option on it. Mr. DeFries noted that they should be required to come back yearly to the Council and state to the Council as they noted in their plan, that the bonds still have a 90 put feature in effect. Council discussed this at length and voted to table a response back to CUWCD and asked if someone could come in and discuss the bonds with the Council before they accepted the plan.

The next letter is from Fillmore City and it is their response to the Council after they were asked to provide clarification regarding the UAMPS bonds and if they were required to hold them as part of being a member of UAMPS. Fillmore responded that they are **not** required to hold the bonds as part of their membership. It was noted in the letter that they had sold other securities that were out of compliance, however, the Council did not require them to do so. After further discussion, Council noted that they cannot make an exception and that Fillmore City should be informed that they must monitor the bonds and if they get to a breakeven point, the bonds should be sold. Council then reviewed the plans from Duchesne County and Moab City which stated that they would take losses and asked to be allowed to monitor the bonds and when they get to a breakeven point, they would liquidate the securities. Council motioned to send out letters to Fillmore, Duchesne County and Moab City informing them that they are to monitor the securities and when/if they hit breakeven, they are to liquidate them. In the meantime they are to inform the Council of the status of these securities every six months with their D&I report. The motion passed unanimously.

Discuss Modifier on Security Ratings

Mr. Slauch noted that in 51-7-11(3)(i) & (n) the Act reads "...are rated "A" or higher or the equivalent of "A" or higher,..." and that this has caused a broker some issue as he was told that he sold a public entity an illegal security as it was rated "A-". It was noted in the discussion, that other rating agencies use different modifiers so it would be difficult to change the Act to include all those modifiers. The standard practice has always been "A" means "A" regardless of the

modifier. Council discussed this briefly. It was noted by Mr. Green that it would be best to verify if Council can provide an interpretation. The discussion was tabled to wait for Mr. Green to review this issue.

Other Business

There was no other business.

Schedule Next Meeting

The Council then scheduled the next regular meeting for September 17, 2015 at 3:00 p.m. With no other business before the Council, they adjourned at 4:12 p.m.

DRAFT



MARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah
Department of Commerce
Division of Securities

FRANCINE A. GIANI
Executive Director

KEITH WOODWELL
Director, Division of Securities

TO:	Money Management Council
FROM:	Michele Black, Division of Securities
RE:	Additions to the Certified Dealer List
DATE:	September 17, 2015

The following agents and firms have been added to the existing list for conducting investment transactions with public treasures pursuant to rule 16 of the State Money Management Council.

Jefferies LLC

Agents: Thomas Lifson



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah
Department of Commerce
Division of Securities

FRANCINE A. GIANI
Executive Director

KEITH WOODWELL
Director, Division of Securities

TO:	Money Management Council
FROM:	Michele Black, Division of Securities
RE:	Deletions List Certified Dealer
DATE:	September 17, 2015

The following agents and firms have been deleted from the existing list for conducting investment transactions with public treasures pursuant to rule 16 of the State Money Management Council.

Piper Jaffray & Co.

Agents: Ken Cramer
Brian J. Delany
Nolan D. Farr
Gregory E. Hagen
Jeff A. Legge



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah
Department of Commerce
Division of Securities

FRANCINE A. GIANI
Executive Director

KEITH WOODWELL
Director, Division of Securities

TO:	Money Management Council
FROM:	Michele Black, Division of Securities
RE:	Additions to the Certified Investment Adviser List
DATE:	September 17, 2015

The following agents and firms have been added to the existing list for conducting investment transactions with public treasures pursuant to rule 15 of the State Money Management Council.

Zions Capital Advisors, Inc.

Investment Adviser

Representatives: Maryam B. Nanjee



State of Utah
 Department of Commerce
 Division of Securities

GARY R. HERBERT
 Governor

SPENCER J. COX
 Lieutenant Governor

FRANCINE A. GIANI
 Executive Director

KEITH WOODWELL
 Director, Division of Securities

TO: Money Management Council
 FROM: Michele Black, Division of Securities
 RE: Current List Certified Investment Adviser
 DATE: September 17, 2015

The following is the list of Certified Investment Advisers and Investment Adviser Representative(s) effective September 17, 2015:

AllianceBernstein L.P.

Investment Adviser

Representatives:

Joseph E. Brienza	1225 17 th Street, Suite 2900	
	Denver, CO 80202	
Ward V. Cerny	"	"
Shannon M. Spangler	"	"

Cutwater Asset Management

Investment Adviser

Representatives:

Mary Donovan	1331 17 th Street, Suite 602	
	Denver, CO 80290	
Chris Nebenzahl	"	"
David Witthohn	"	"

Moreton Asset Management, LLC

Investment Adviser

Representatives:

Jordan C. Hansen	101 South 200 East Suite 300	
	Salt Lake City, UT 84111	
Andrew J. Robbins	"	"
Ben R. Sehy	"	"
Jason M. Williams	"	"

Morgan Stanley

Investment Adviser

Representatives:

Cody C. Adams	60 South Temple	
	Salt Lake City, UT 84111	

Morgan Stanley cont.

Investment Adviser

Representatives: Paul Barton 6510 Millcreek Drive, Suite 100
Holladay, UT 84121
Douglas Felt 60 South Temple
Salt Lake City, UT 84111
: John Hallgren 60 East South Temple
Salt Lake City, UT 84111
Thomas E. Nielson " "
Brian Parcell 60 East South Temple
Salt Lake City, UT 84111
F. Bart Reuling 6510 Millcreek Drive, Suite 100
Holladay, UT 84121
Kenneth Webster 6510 Millcreek Drive, Suite 100
Holladay, UT 84121

PFM Asset Management LLC

Investment Adviser

Representatives: Richard Babbe 50 California Street Suite 2400
San Francisco, CA 94111
Lauren Brant 1400 16th Street, Suite 400
Denver, CO 80202
Christopher Blackwood " "
Ellen Clark 50 California Street Suite 2300
San Francisco, CA 94111
Emily Ferguson 1400 16th Street Suite 400
Denver, CO 80202

Soltis Investment Advisors, LLC

Investment Adviser

Representatives: Hal G. Anderson 20 N. Main Street, Suite 400
St. George, UT 84770
Kim D. Anderson " "
Jeffrey T. Brimhall 3400 Ashton Boulevard, Suite 410
Lehi, UT 84043
Tyler J. Finlinson 20 N. Main Street, Suite 400
St. George, UT 84770
Brent D. Moore 3400 Aston Boulevard, Suite 410
Lehi, UT 84043
James G. Shumway 915 South 500 East #110
American Fork, UT 84003
Clark V. Taylor 20 N. Main Street, Suite 400
St. George, UT 84770
William W. Wallace 3400 Ashton Boulevard, Suite 410
Lehi, UT 84043
Tyler K. Wilkinson 20 N. Main Street, Suite 400

St. George, UT 84770

Zions Capital Advisors, Inc.

Investment Adviser

Representatives:

Greg Aiken

One South Main Street, 12th Floor
Salt Lake City, UT 84133

Scott R. Burnett

One South Main Street, 12th Floor
Salt Lake City, UT 84133

John R. Byerly Jr.

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Gary Mark Hill

One South Main Street, 12th Floor
Salt Lake City, UT 84133

Matthew R. Johnson

“ “

Alan Last

“ “

Brian Moore

“ “

Maryam B. Nanjee

“ “

Perry Piazza

465 California Street Suite 100
San Francisco, CA 94133

Diane Veltri

One South Main Street, 12th Floor
Salt Lake City, UT 84133



GARY R. HERBERT
Governor

SPENCER J. COX
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State of Utah
Department of Commerce
Division of Securities

FRANCINE A. GIANI
Executive Director

KEITH WOODWELL
Director, Division of Securities

TO:	Money Management Council
FROM:	Michele Black, Division of Securities
RE:	Current List Certified Dealer
DATE:	September 17, 2015

The following is the list of Certified Dealers and Agent(s) effective **September 17, 2015**:

Barclays Capital Inc.

Agents: Peter Bjurstein 555 California Street, 30th Floor
San Francisco, CA 94104

BNP Paribas Securities Corp.

Agents: Kathleen Cooney 787 Seventh Avenue
New York, NY 10019
Amit Ashok Jugal 2527 Camino Ramon
San Ramon, CA 94583
Alexandra Maria Linden " "
Robert McAndrew 787 Seventh Avenue
New York, NY 10019
Paul Thomas Montaquila 2527 Camino Ramon
San Ramon, CA 94583
Anthony Hoan Pham " "
Kari Prichard " "
W. Hampton B. Smith Jr. 787 7th Avenue
New York, NY 10019
Dominic Aaron Wallace 2527 Camino Ramon
San Ramon, CA 94583

DA Davidson & Co.

Agents: Hank Jenkins 1550 Market Street Suite 300
Denver, CO 80202
Marcus A. Nield 7730 Union Park Avenue Suite 220
Midvale, UT 84047
Staci Salinas " "

George K. Baum & Company

Agents: Susan P. Gardner
Joseph C. Higginbottom
Frederic H. Jones
Stephen L. Strong
Brett C. Turnbull

4801 Main Street, Suite 500
Kansas City, MO 64112
1400 Wewatta Street, Suite 800
Denver, CO 80202
15 West South Temple, #1090
Salt Lake City, UT 84101
" "
4801 Main Street, Suite 500
Kansas City, MO 64112

Incapital LLC

Agents: William H. Money III

299 South Main Street, Suite 1317
Salt Lake City, UT 84111

Jefferies LLC

Agents: Andrew Davidoff
Thomas Lifson

11100 Santa Monica Boulevard
Los Angeles, CA 90025
101 California Street 31st Floor
San Francisco, CA 94111

LPL Financial LLC

Agents: Craig P. Adams
Stephen H. Beierlein
Jordan Curtis
Timothy W. Floyd
Chad D. Waddoups

5929 South Fashion Pointe Drive, Suite 204
Ogden, UT 84403
5929 South Fashion Point Drive
Ogden, UT 84403
455 East 40th Street
South Ogden, UT 84403
123 South River Road
St. George, UT 84790
7181 South Campus View Drive
West Jordan, UT 84084

Morgan Stanley

Agents: Cody Adams
Paul Barton
Deidre M. Cortney
Johnthomas L. Cumbow

60 East South Temple 20th Floor
Salt Lake City, UT 84111
6510 S. Millcreek Drive, Suite 100
Holladay, UT 84121
3033 East 1st Avenue, Suite 820
Denver, CO 80206
50 North Laura Street, Suite 2000
Jacksonville, FL 32202

Morgan Stanley cont.

Agents:	Douglas Felt	60 E. South Temple Salt Lake City, UT 84111
	Phil Fonfara	750 Lindaro Street San Rafael, CA 94901
	John Hallgren	60 East South Temple Salt Lake City, UT 84111
	Thomas E. Nielson	6510 S. Millrock Drive, Suite 100 Holladay, UT 84121
	John R. Ott	750 Lindaro Street San Rafael, CA 94901
	Brian Parcell	60 E. South Temple Salt Lake City, UT 84111
	Angela Leach Pizzichini	3033 East 1 st Avenue, Suite 820 Denver, CO 80206
	Joseph A. Ranucci	50 North Laura Street, Suite 2000 Jacksonville, FL 32202
	F. Barton Reuling	6510 S. Millrock Drive, Suite 100 Holladay, UT 84121
	Michael Wallblom	600 Union Street Seattle, Wa 98101
	Kenneth Webster	6510 S. Millrock Drive, Suite 100 Holladay, UT 84121

Raymond James & Associates, Inc.

Agents:	Mark McKinnon	2825 East Cottonwood Parkway, Suite 500 Salt Lake City, UT 84124
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RBC Capital Markets, LLC

Agents:	Eric Ajlouny	345 California Street San Francisco, CA 94104
	Scott Chappell	299 S. Main Street Suite 2000 Salt Lake City, UT 84111-2280
	David Fahey	" "
	Walter Hall	345 California, 29 th Floor San Francisco, CA 94104
	Ronald N. Mason	299 South Main Street, Suite 2000 Salt Lake City, UT 84111
	Brent Peterson	805 SW Broadway, Suite 1800 Portland, OR 97205
	Patrick Porter	299 South Main Street, Suite 2000 Salt Lake City, UT 84111

RBC Capital Markets, LLC cont.

Agents: John Styrbicki
Sam Vetas
Michael Zetahmeyer

60 South 6th Street
Minneapolis, MN 55402
299 South Main Street, Suite 2000
Salt Lake City, UT 84111-2280
60 South 6th Street
Minneapolis, MN 55402

Robert W. Baird & Co. Incorporated

Agents: Donald Eckstein
Dean R. Cottle
Cathleen Gillies

4017 Hillsboro Pike Suite 403
Nashville, TN 37215
222 South Main Street, Suite 1840
Salt Lake City, UT 84101
210 University Boulevard Suite 460
Denver, CO 80206

UBS Financial Services Inc.

Agents: Barry B. Bowen
John Doke
Fred C. Luedke
Jim Madden
Nat Mosley
John C. Pferdner

299 South Main, Suite 2100
Salt Lake City, UT 84111
100 Crescent Court, Suite 600
Dallas, TX 75201
100 Crescent Court, Suite 600
Dallas, TX 75201
" "
" "
299 South Main Suite 2100
Salt Lake City, UT 84111

Wells Fargo Advisors LLC

Agents: R. Dane Bradshaw
Josh G. Burgon
Daniel Payne
David Payne
Timothy Payne
Benjamin Byington
Thomas Degenaars
Brandon Hodge

6550 South Millrock Drive #G50
Holladay, UT 84121
" "
201 South Main Street, Suite 160
Salt Lake City, UT 84101
" "
" "
299 South Main Street
Salt Lake City, UT 84111
100 West Washington
Phoenix, AZ 85003
299 South Main Street
Salt Lake City, UT 84111

Wells Fargo Securities LLC

Agents: Larry Lundberg

Daniel F. Quigley

Ryan Stoker

Randy Church

299 South Main Street
Salt Lake City, UT 84111

550 South Tryon Street
Charlotte, NC 28202

299 South Main Street
Salt Lake City, UT 84111

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Zions Bank Capital Markets

Agents: Jacqueline Davies

Neil Decker

Wendy Jones

Brad Mayeda

Daniel Ricks

Ty Roberts

Kathy Sullivan

One South Main Street, 17th Floor
Salt Lake City, UT 84133

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Zions Direct, Inc.

Agents: Jacqueline Davies

Neil Decker

Wendy Jones

Brad Mayeda

Daniel Ricks

Ty Roberts

Kathy Sullivan

One South Main Street, 17th Floor
Salt Lake City, UT 84133

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STATE OF UTAH

Gary R. Herbert
Governor
Spencer J. Cox
Lieutenant Governor

DEPARTMENT OF FINANCIAL INSTITUTIONS

G. Edward Leary
Commissioner
Darryle P. Rude
Chief Examiner
R. Paul Allred
Deputy Commissioner

Money Management Council
315 N. State Capitol Building, Suite 180
Salt Lake City, Utah 84114

Dear Council Members:

Pursuant to Section 51-7-3(28) Utah Code Annotated and Money Management Council Rules R628-11 and R628-12, I, G. Edward Leary, Commissioner of Financial Institutions, do hereby certify the following depository institutions as "qualified depositories" and eligible to receive and hold public funds in excess of federal insurance limits in the following maximum amounts:

PUBLIC FUNDS ALLOTMENTS

for the three-month period beginning October 1, 2015

(Dollars in Thousands)

	<u>Current</u>	<u>Previous</u>
<u>BANKS</u>		
Ally Bank.....	\$ 24,081,980	\$ 24,276,981
American Bank of Commerce.....	15,329	14,934
AmericanWest Bank.....	29,324	27,254
Bank of American Fork.....	198,992	193,779
Bank of the West.....	59,168	57,479
Bank of Utah.....	180,326	175,751
Brighton Bank.....	32,769	32,811
Cache Valley Bank.....	129,312	129,222

PUBLIC FUNDS ALLOTMENTS (cont.)

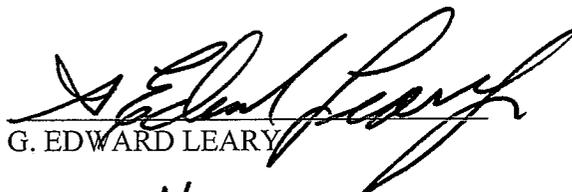
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	<u>Current</u>	<u>Previous</u>
Capital Community Bank..... \$	29,625	\$ 28,761
Central Bank.....	197,702	190,704
JPMorgan Chase Bank NA.....	4,057,248	4,252,133
Continental Bank.....	39,945	40,866
First National Bank of Layton.....	56,772	55,583
First Utah Bank.....	35,891	32,172
Glacier Bank.....	44,183	44,063
Grand Valley Bank.....	30,178	29,712
Green Dot Bank.....	220,598	208,706
Gunnison Valley Bank.....	13,820	13,130
Holladay Bank & Trust Company.....	9,456	9,338
Home Savings Bank.....	20,118	19,770
Keybank NA.....	545,175	540,569
Lewiston State Bank.....	47,052	46,229
Morgan Stanley Bank, National Association.....	18,720,000	19,291,500
Prime Alliance Bank.....	35,721	35,259
Republic Bank Inc.....	44,840	52,803
Rock Canyon Bank.....	38,625	36,233
State Bank of Southern Utah.....	161,852	157,041
Town & Country Bank.....	15,686	15,294
US Bank NA.....	318,445	327,195
Utah Independent Bank.....	14,360	13,964
Washington Federal, NA.....	64,816	65,761
Wells Fargo Bank NA.....	1,806,277	1,743,278
Wells Fargo Bank Northwest NA.....	1,848,818	1,841,799
Zions First National Bank.....	2,921,939	2,821,224
 <u>INDUSTRIAL BANKS</u>		
EnerBank USA..... \$	178,344	\$ 167,720
WebBank.....	71,546	63,231

PUBLIC FUNDS ALLOTMENTS (cont.)

Page 3 of 3

	<u>Current</u>	
<u>SAVINGS AND LOANS</u>		
Heritage Bank.....	\$ 19,692	\$ 19,368
 <u>CREDIT UNIONS</u>		
America First.....	\$ 1,070,582	\$ 1,029,552
Chartway.....	52,690	52,385
Desertview.....	5,625	5,586
Eastern Utah Community.....	15,290	15,090
Education 1st.....	2,565	2,515
Goldenwest.....	195,293	188,897
Horizon Utah.....	13,368	13,235
Jordan.....	20,023	19,957
Mountain America.....	663,845	637,442
Nebo.....	12,353	12,017
San Juan.....	1,287	1,248
Utah Community.....	157,928	152,571
Utah First.....	42,240	40,991
Utah Heritage.....	7,713	7,502
Wasatch Peaks.....	24,822	23,936
Weber State.....	13,649	13,415


G. EDWARD LEARY

September 11, 2015

Late D&I
For
June 30, 2015
As of 9/17/15

Cottonwood Heights City
Eureka City
Green river City
Lewiston City
Logan City
Mendon City
Moroni City
Murray City
Spring City

Rich County
Summit County
Wayne County

Avon Cemetery
Ben Lomond Cemetery
East Garland Cemetery
Garland Cemetery
Grand Co Cemetery
Plain City Cemetery
Richmond Cemetery
Tropic Cemetery

Utah League of Cities & Towns
Utah Municipal Finance Agency
Emery County Housing Authority
Military Installation Dev Auth
Tooele Co Housing Authority
Beaver Valley Hospital
Soeastern Ut District Health Dept
Canyonlands Healthcare SS Dist
Garden City Fire Dist.
Interlocal Fin Auth of Summit Co
Millard Co Fire Dist
So Summit Fire Protect Dist
Utah Lake Commission

Jordan Education Foundation
Park City Education Foundation
Weber School Dist Foundation

Washington Co S/D Foundation

Carbon School Dist
Murray School Dist
So Sanpete School Dist
Tintic School Dist
Wayne School Dist
Weber School Dist

Beaver Fire Dist #1
Beaver Co Waste Mgt SD #5
Cache Valley Transit Dist
Duchesne Co SS Dist #2
Fruitland Water Imp Dist
Grand Co SS Rec Dist
Grouse Creek SS Dist
Gunlock SS Dist
Kane Co Human Resource SSD(Hosp)
Leeds Area SS Dist
Little Mountain Service Area
Millard Co SS Dist #8
Mexican Hat SS Dist
North Fork SS Dist
Northern Utah Regional Landfill
North Sanpete Ambulance Service
Northwestern SS Dist
Peoa Rec SS Dist
Pinon Forest SS Dist
Sanpete Co Landfill Co-op
Southwestern SS Dist
Solitude Improvement Dist
South Utah Valley Solid Waste Dist
Summit SS Dist
Summit Co Service Area #5
Tabby Valley Parks & Rec Dist
Timpanogos SS Dist
White Hills SS Dist

Amalga Town
Charleston Town

Cornish Town
Elmo Town
Elwood Town
Fayette Town
Goshen Town
Junction Town
Kanarraville Town
Marriott/Slaterville Town
Oakley Town
Orderville Town
Stockton Town
Virgin Town

Alianza Academy
Aristotle Academy
CS Lewis Academy
East Hollywood High School
Fast Forward Charter High School
Spectrum Academy
Summit Academy & High School
Utah Virtual Academy
Vista School
Wasatch Institute of Technology
Walden School of Liberal Arts

Southern Utah University
Tooele ATC
Utah College of Applied Tech

American Fork Metro Water Dist
Benjamin Drainage Dist
Bluff Water Works
Box Elder Co Service Area #2
Perry City Flood Control
Bristlecone Water Imp Dist
Cache Co Drainage Dist #5
Cache County Drainage Dist #6
Charleston Water Conserv Dist
Corinne Drainage Dist#1
East Lewiston Drainage Dist #4
Elwood Drainage Dist
Hansel Valley Watershed Dist
Iowa String Drainage Dist
Lakepoint Improvement Dist
Kearns Improvement Dist
Lake Shore & Benjamin Drainage Dist
Millard Co Drainage Dist #2
Millard County Drainage Dist #4
Millard Co Water Conserv Dist
Neola Water & Sewer Dist
No Utah Co Water Conservancy Dist
Powder Mtn Water/Sewer Improv Dist
Rush Valley Water Conserv Dist
So Davis Water Imp Dist
Summit Co Service Area #3
Timberlakes Water SS Dist
Upper Sevier River Wtr Cons Dist
Weber Co Service Area #5(Liberty Pk)



**Simmons First
Investment Group**

MEMBER FINRA AND SIPC

August 17, 2015

Ann Pedroza
Utah Money Management Council
350 N. State Street, Suite 180
P.O. Box 142315
Salt Lake City, Utah 84114-2315

Dear Mrs. Pedroza,

Thank you for the opportunity to send this information concerning Simmons First Investment Group, Inc. and myself.

Simmons First is a recognized leader in providing products and services for financial institutions, pension funds, corporations, insurance companies, municipalities and money managers. We offer municipal, government and corporate bonds, mortgage-backed securities, CD's, CMO's, money market mutual funds and preferred stocks, along with other fixed income securities. We are also an approved underwriter for FHLB securities. This enables our customers to have FHLB securities underwritten just for their specific portfolio needs.

Enclosed is a personal resume', business card and financials. You can contact me at 800-762-4316 to answer any questions.

Sincerely,

Brison Manor, Jr.
Vice President
Sales Representative
Simmons First Investment Group, Inc.

Enclosures

11700 Cantrell Road Little Rock, AR 72223 501.223.4301 simmonsfirst.com

The products offered by Simmons First Investment Group are not deposits or obligations of the Bank and are not guaranteed by the Bank. They are not FDIC insured, and involve investment risks, including the possible loss of the principal amount invested.



**Simmons First
Investment Group**

MEMBER FINRA AND SIPC

The question of the value that exists in doing business with a Regional Investment Firm has many answers. It can be in the more personal level of service the we provide. The door to our operations department is only a few feet away and I can check on delivery status and ask any questions required to get the answers for your inquiries without waiting times and numerous phone calls.

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STATE OF UTAH
OFFICE OF THE ATTORNEY GENERAL



SEAN D.
ATTORNEY GENERAL

Spencer E. Austin
Chief Criminal Deputy

Parker Douglas
Chief of Staff & General Counsel

Bridget K. Romano
Solicitor General

Brian L. Tarbet
Chief Civil Deputy

September 16, 2015

Utah Money Management Council
350 N. State Street, Suite 180
Salt Lake City, UT 84114

RE: ULGT Compliance with Utah Money Management Act (U.C.A. 51-7-101 et. seq)

The Utah Local Government Trust ("ULGT") has reported that they cannot comply with the 5 year maturity requirement of certain investments under the Money Management Act ("MMA"). They have provided a written report that outlines that ULGT matches projected liabilities with assets, some of the asset purchases exceed 5 year maturity dates.

Utah Code. § 51-7-23 states:

- (1) Any investment held by a public treasurer that as of June 30, 2015, is not in compliance with the provisions of this chapter is subject to review by the council.
- (2)(a) No later than July 31, 2015, a public treasurer who holds an investment described in Subsection (1) shall provide the council a written report that outlines a reasonable plan to bring the investment into compliance.

The Money Management Council ("MMC") cannot exempt the requirements of MMA on ULGT, they however can accept the reasonable plan and review it next year. The proposed ULGT plan meets the intent of the Act, because the MMC can broadly interpret the Money Management Act, in accordance with Employers' Reinsurance Fund v. Indus. Comm'n of Utah, 856 P.2d 648, 655 (Utah Ct. App. 1993). The MMC may interpret its statute reasonably when the plain language of the rule is not clear. Here the statute, as it currently reads does not provide enough guidance on what a reasonable plan is, and it is reasonable that the agency interpret that broadly.

It is recommended that you approve their plan for the year and work with the legislature to amend the Act to either exempt of allow the Council to have some discretion in granting a long term waiver of that code section.

If you have any questions or concerns please contact me at mkgreen@utah.gov or (801) 366-0354

Sincerely,

/S/

Michael Green
Assistant Attorney General

MEMORANDUM

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TO: Money Management Council
FROM: Michael Green AAG
DATE: September 16, 2015
RE: The State Money Management Council's Authority

Issue

May the State Money Management Council grant a compliance exception for entities that have securities that mature after the 5 year mark, prohibited by the Money Management Act?

Executive Summary

Yes, it is likely that the legislature intended to provide an exception to entities whose investments were previously authorized under the Act, but now no longer in compliance. This conclusion is supported by the legislative intent – i.e., the pre-amended Act expressly allowed for an exception to investments no longer in compliance – and the fact that the current title of Utah Code Ann. § 51-7-23 (the section dealing with investments no longer in compliance with the Act) is “Transition of Investments Previously Authorized,” inferring a an intent to allow such investments not in compliance to continue or transition with the new rules.

I. Applicable Rules

A. AUTHORIZED DEPOSITS OR INVESTMENTS

Utah Code Ann. § 51-7-11 states that:

(3) Except as provided in Subsection (4) (See section II), all public funds shall be deposited or invested in the following assets that meet the criteria of Section 51-7-17:

(g) obligations of the United States Treasury, including United States Treasury bills, United States Treasury notes, and United States Treasury bonds that, unless the funds invested are pledged or otherwise deposited in an irrevocable trust escrow account, have a remaining term to final maturity of:

(i) five years or less; or

(ii) if the funds are invested by an institution of higher education as defined in Section 53B-3-102, a city of the first class, or a county of the first class, 10 years or less;

B. TRANSITION OF INVESTMENTS PREVIOUSLY AUTHORIZED

For entities not in compliance with the applicable rules, Utah Code Ann. § 51-7-23 states that:

(1) Any investment held by a public treasurer that as of June 30, 2015, is not in compliance with the provisions of this chapter is subject to review by the council.

(2)(a) No later than July 31, 2015, a public treasurer who holds an investment described in Subsection (1) shall provide the council a written report that outlines a reasonable plan to bring the investment into compliance.

No guidelines are given in the code or administrative rules as to what the treasurer must include in his written report to the council "to bring the investment into compliance."

II. Exemptions from the Utah Money Management Act

A. UTAH CODE ANN. § 51-7-2

Utah Code Ann. § 51-7-2 provides that the following funds are exempt from the Act:

(1) funds invested in accordance with the participating employees' designation or direction pursuant to a public employees' deferred compensation plan established and operated in compliance with Section 457 of the Internal Revenue Code of 1986, as amended;

(2) funds of the Workers' Compensation Fund;

(3) funds of the Utah State Retirement Board;

(4) funds of the Utah Housing Corporation;

(5) endowment funds of higher education institutions;

(6) permanent and other land grant trust funds established pursuant to the Utah Enabling Act and the Utah Constitution;

(7) the State Post-Retirement Benefits Trust Fund;

(8) the funds of the Utah Educational Savings Plan;

(9) funds of the permanent state trust fund created by and operated under Utah Constitution, Article XXII, Section 4; and

(10) the funds in the Navajo Trust Fund.

B. UTAH CODE ANN. § 51-7-11

(4) The following public funds are exempt from the requirements of Subsection (3) (*i.e.*, 5 year maturation requirement):

(a) the Employers' Reinsurance Fund created in Section 34A-2-702;

(b) the Uninsured Employers' Fund created in Section 34A-2-704;

(c) a local government other post-employment benefits trust fund under Section 51-7-12.2; and

(d) a nonnegotiable deposit made in accordance with Section 53B-7-601 in a foreign depository institution as defined in Section 7-1-103.

III. Ambiguity of § 51-7-23

A. § 51-7-23 IS AMBIGUOUS AND SHOULD BE INTERPRETED IN LIGHT OF LEGISLATIVE HISTORY

Utah Code Ann. § 51-7-23 is ambiguous in its application. The section is titled "Transition of Investments Previously Authorized," but gives no direction or guidance to treasurers on what to include in their "reasonable plan" to bring previously authorized investments into compliance with the new 5 year maturation requirements. Additionally, the administrative rules also provide no guidance.

"When the meaning of a statute can be discerned from its language, no other interpretive tools are need-ed. But when statutory language is ambiguous—in that its terms remain susceptible to two or more reasonable interpretations after we have conducted a plain language analysis—we generally resort to other modes of statutory construction and "seek guidance from legislative history" and other accepted sources. In some specific contexts, however, we have adopted unique rules that guide our construction of ambiguous terms" *Marion Energy, Inc. v. KFJ Ranch P'ship*, 2011 UT 50, ¶ 15, 267 P.3d 863, 866-67

Before being amended, § 51-7-23 stated:

any investment held by a public treasurer that as of January 1, 1989, was previously authorized, but no longer qualifies under this chapter, is considered an authorized investment until it matures or is sold.

Under the pre-amended reading, an investment not in compliance, but previously authorized, was considered an authorized investment until maturation or until sold. This reading, in the very least, seems to infer that the legislative intent was to provide an exception to investments – previously authorized – to continue as valid for some time and not become automatically void.

The current title of § 51-7-23, “Transition of Investments Previously Authorized,” appears to further support this interpretation of the legislative intent. The word “transition” infers continuation, not extinction. It infers that the legislature intends to “transition” non-compliant investments into the new rules. Therefore, according to the legislative intent and the pre-amended reading of § 51-7-23, the legislature likely intended to provide an exception to entities whose investments were previously authorized, but now not in compliance.

Conclusion

It is likely that the legislature intended to provide an exception to entities whose investments were previously authorized under the Act, but now no longer in compliance. This conclusion is supported by the legislative intent – i.e., the pre-amended Act expressly allowed for an exception to investments no longer in compliance – and the fact that the current title of Utah Code Ann. § 51-7-23 (the section dealing with investments no longer in compliance with the Act) is “Transition of Investments Previously Authorized,” inferring a an intent to allow such investments not in compliance to continue or transition with the new rules.

STATE OF UTAH

OFFICE OF THE ATTORNEY GENERAL



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ATTORNEY GENERAL

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Chief Civil Deputy

September 11, 2015

Utah Money Management Council
350 N. State Street, Suite 180
Salt Lake City, UT 84114

RE: Utah Code 51-7-11

Utah Code 51-7-11(3) may have an ambiguity and maybe vague. Does The term "A" for an investment rating also include the "A-"investments. Yes, the term may "A" may be interpreted broadly and include both A and A- investments.

"When the meaning of a statute can be discerned from its language, no other interpretive tools are needed. But when statutory language is ambiguous—in that its terms remain susceptible to two or more reasonable interpretations after we have conducted a plain language analysis—we generally resort to other modes of statutory construction and "seek guidance from legislative history" and other accepted sources. In some specific contexts, however, we have adopted unique rules that guide our construction of ambiguous terms" Marion Energy, Inc. v. KFJ Ranch P'ship, 2011 UT 50, ¶ 15, 267 P.3d 863, 866-67

The Court in Marion, Id. followed its plain language analysis by using the *broad* interpretation of the term "mineral", similarly, the term "A" should be interpreted in the same fashion and be interpreted broadly. The broad interpretation would include "A-"investments. Moreover, "If examination of the statute and the statutory framework using the rules of statutory interpretation or in the light of its legislative history provides us with a clear legislative intent, we will not defer to the agency. If, on the other hand, the language is broad and expansive without a clear legislative intent or subject to numerous permissible interpretations which cannot be resolved by normal rules of statutory construction, we will defer to the agency. This is because it is "particularly appropriate" to defer to the agency's knowledge and experience concerning the wisdom of a specific policy in cases where legislative intent is not clear. Employers' Reinsurance Fund v. Indus. Comm'n of Utah, 856 P.2d 648, 655 (Utah Ct. App. 1993)

With both cases and the facts present it is reasonable to accept the broad interpretation, and the Money Management Council has authority to do so. If you have any questions or concerns please contact me at mkgreen@utah.gov or (801) 366-0354

Sincerely,

/S/

Michael Green
Assistant Attorney General