

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 FEBRUARY 18, 2016
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 JANUARY 21, 2016
2. MONTHLY REPORTS
 - A) Division of Securities
 - B) Department of Financial Institutions
 - C) Deposit and Investment report update
3. REVIEW OF STATE TREASURER'S DETAIL DEPOSIT AND INVESTMENT REPORT
4. UPDATE ON BILL STATUS
5. OTHER BUSINESS AS NEEDED
6. 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.

Kirt Slauch, 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 JANUARY 21, 2016**

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 January 21, 2016. In attendance were:

Kirt Slaugh, Chair
John Bond, Vice Chair
Doug DeFries
Marina Scott
Ann Pedroza, Staff
Tom Bay, Division of Financial Institutions
Michael Green, Attorney General's Office
Andy Robbins, Moreton Asset Management
Scott Burnett, Zions Capital Markets
Jonathan Stutz, Moreton Asset Management

Minutes of December 17, 2015 Meeting

The minutes of the December 17, 2015 meeting were approved unanimously.

Monthly Reports

Securities Division:

Ms. Black informed Ms. Pedroza via e-mail that there were no changes.

Financial Institutions' Report:

Mr. Bay reviewed the monthly report with the Council noting that Gunnison Valley Bank was the only institution over 50% of their allotment for this reporting period. Mr. Bay informed the Council that he had nothing else to note. Council reviewed the report briefly.

Deposit and Investment report update:

Ms. Pedroza noted that there are 36 entities that have not filed their report.

Acceptance of Reports:

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

Five Year Review of Rule 13 and Rule 16

Rule 13-Collateralization of Public Funds. This rule allows the Council to take in collateral if a financial institution goes over its uninsured public funds allotment. Ms. Pedroza noted that it has happened in the past but not recently. This rule provides the conditions for which collateral will be allowed and for the delivery of the collateral. It was noted that this Rule needs to be in place as the Act requires that a rule be in place in case of the need of collateral.

Rule 16- Certification as a Dealer- This rule provides the requirements for certification of brokers that public entities may use to invest public funds. Council discussed briefly and it was

noted that the rule is used daily and needs to be in place for treasurers to invest. Council discussed briefly and then voted unanimously for both rules to be approved for the 5 year review process.

Other Business

There was no other business. Council asked that PFM Management be contacted and asked to provide more information on the discussion from last month so that there may be further discussion in the next meeting.

Schedule Next Meeting

The Council then scheduled the next regular meeting for February 18, 2016 at 3:00 p.m. With no other business before the Council, they adjourned at 3:20 p.m.

DRAFT



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah
Department of Commerce
Division of Securities

FRANCINE A. GIANI
Executive Director

THOMAS A. BRADY
Deputy 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:	February 18, 2016

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:

Moreton Capital Markets, LLC
Agents: Ryan Stoker

RBC Capital Markets, LLC
Agents: John Hallgren



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Deputy Director

KEITH WOODWELL
Director, Division of Securities

TO:	Money Management Council
FROM:	Michele Black, Division of Securities
RE:	Deletions List Certified Dealer
DATE:	February 18, 2016

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.

Morgan Stanley

Agents: John Hallgren



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Deputy Director

KEITH WOODWELL
Director, Division of Securities

TO:	Money Management Council
FROM:	Michele Black, Division of Securities
RE:	Current List Certified Dealer
DATE:	February 18, 2016

The following is the list of Certified Dealers and Agent(s) effective February 18, 2016:

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 Jogal	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 7 th 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
	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

Moreton Capital Markets, LLC

Agents:	Jordan Hansen	101 South 200 East, Suite 300 Salt Lake City, UT 84111
	Andrew Robbins	" "
	Ryan Stoker	" "
	Jason Williams	" "

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

RBC Capital Markets, LLC cont.

Agents: John Hallgren	299 South Main Street, Suite 2000 Salt Lake City, UT 84111
Ronald N. Mason	" "
Brent Peterson	805 SW Broadway, Suite 1800 Portland, OR 97205
Patrick Porter	299 South Main Street, Suite 2000 Salt Lake City, UT 84111
John Styrbicki	60 South 6 th Street Minneapolis, MN 55402
Sam Vetas	299 South Main Street, Suite 2000 Salt Lake City, UT 84111-2280
Michael Zetahmeyer	60 South 6 th Street Minneapolis, MN 55402

Robert W. Baird & Co. Incorporated

Agents: Donald Eckstein	4017 Hillsboro Pike Suite 403 Nashville, TN 37215
Dean R. Cottle	222 South Main Street, Suite 1840 Salt Lake City, UT 84101
Cathleen Gillies	210 University Boulevard Suite 460 Denver, CO 80206

UBS Financial Services Inc.

Agents: Barry B. Bowen	299 South Main, Suite 2100 Salt Lake City, UT 84111
John Doke	100 Crescent Court, Suite 600 Dallas, TX 75201
Fred C. Luedke	100 Crescent Court, Suite 600 Dallas, TX 75201
Jim Madden	" "
Nat Mosley	" "
John C. Pferdner	299 South Main Suite 2100 Salt Lake City, UT 84111
Chris Rosenthal	30050 Chagrin Boulevard Suite 200 Pepper Pike, OH 44124

Wells Fargo Advisors LLC

Agents: R. Dane Bradshaw	6550 South Millrock Drive #G50 Holladay, UT 84121
Josh G. Burgon	" "
Daniel Payne	201 South Main Street, Suite 160 Salt Lake City, UT 84101
David Payne	" "
Timothy Payne	" "

Wells Fargo Securities LLC

Agents: Benjamin Byington
Thomas Degenaars
Brandon Hodge
Larry Lundberg
Daniel F. Quigley
Ryan Stoker
Randy Church

299 South Main Street
Salt Lake City, UT 84111
100 West Washington
Phoenix, AZ 85003
299 South Main Street
Salt Lake City, UT 84111
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
" "

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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" "



MMCOUNCIL Treasurer <mmcouncil@utah.gov>

Re: December 2015 report

1 message

Loni Meadows <lmeadows@greenriverutah.com>
To: MMCOUNCIL Treasurer <mmcouncil@utah.gov>

Wed, Feb 17, 2016 at 2:40 PM

That account was over the limit just because of the timing of deposits, direct deposits, ACH transfers and accounts payable. There were still a large number of outstanding checks when State Sales Tax deposit hit our account.

If you have any other questions, please let me know.

On Tue, Feb 16, 2016 at 4:53 PM, MMCOUNCIL Treasurer <mmcouncil@utah.gov> wrote:

Hi Loni:

I noticed that your balance at GCCU (which I am assuming means Grand County Credit Union), is over the federal insured limit which you need to keep it at to use a financial institution that is not a qualified depository because of your geographical location. Can you please explain?

Thanks,
Ann Pedroza, Staff
Utah Money Management Council

On Fri, Jan 15, 2016 at 1:59 PM, Loni Meadows <lmeadows@greenriverutah.com> wrote:

Here is the December 31, 2015 Money Management Report. Let me know if you have any questions.

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Thank you,

Loni Meadows, Treasurer
PO Box 620
460 East Main
Green River, Utah 84525
(435) 564-3448 ext. 4
lmeadows@greenriverutah.com

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Thank you,

Loni Meadows, Treasurer
PO Box 620
460 East Main
Green River, Utah 84525
(435) 564-3448 ext. 4
lmeadows@greenriverutah.com

51-7-11 Authorized deposits or investments of public funds.

(1)(a) Except as provided in Subsections (1)(b) and (1)(c), a public treasurer shall conduct investment transactions through qualified depositories, certified dealers, or directly with issuers of the investment securities.

(b) A public treasurer may designate a certified investment adviser to make trades on behalf of the public treasurer.

(c) A public treasurer may make a deposit in accordance with Section 53B-7-601 in a foreign depository institution as defined in Section 7-1-103.

(2) The remaining term to maturity of the investment may not exceed the period of availability of the funds to be invested.

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

(a) negotiable or nonnegotiable deposits of qualified depositories;

(b) qualifying or nonqualifying repurchase agreements and reverse repurchase agreements with qualified depositories using collateral consisting of:

(i) Government National Mortgage Association mortgage pools;

(ii) Federal Home Loan Mortgage Corporation mortgage pools;

(iii) Federal National Mortgage Corporation mortgage pools;

(iv) Small Business Administration loan pools;

(v) Federal Agriculture Mortgage Corporation pools; or

(vi) other investments authorized by this section;

(c) qualifying repurchase agreements and reverse repurchase agreements with certified dealers, permitted depositories, or qualified depositories using collateral consisting of:

(i) Government National Mortgage Association mortgage pools;

(ii) Federal Home Loan Mortgage Corporation mortgage pools;

(iii) Federal National Mortgage Corporation mortgage pools;

(iv) Small Business Administration loan pools; or

(v) other investments authorized by this section;

(d) commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, which has a remaining term to maturity of:

(i) 270 days or fewer for paper issued under 15 U.S.C. Sec. 77c(a)(3); or

(ii) 365 days or fewer for paper issued under 15 U.S.C. Sec. 77d(2);

(e) bankers' acceptances that:

(i) are eligible for discount at a Federal Reserve bank; and

(ii) have a remaining term to maturity of 270 days or fewer;

(f) fixed rate negotiable deposits issued by a permitted depository that have a remaining term to maturity of 365 days or fewer;

(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; or

(ii) if the funds are invested by a public agency insurance mutual as defined in Section 31A-1-103(7)(a), 20 years or less;

(h) obligations other than mortgage pools and other mortgage derivative products that:

- (i) are issued by, or fully guaranteed as to principal and interest by, the following agencies or instrumentalities of the United States in which a market is made by a primary reporting government securities dealer, unless the agency or instrumentality has become private and is no longer considered to be a government entity:
 - (A) Federal Farm Credit banks;
 - (B) Federal Home Loan banks;
 - (C) Federal National Mortgage Association;
 - (D) Federal Home Loan Mortgage Corporation;
 - (E) Federal Agriculture Mortgage Corporation; and
 - (F) Tennessee Valley Authority; and
- (ii) unless the funds invested are pledged or otherwise deposited in an irrevocable trust escrow account, have a remaining term to final maturity of:
 - (A) five years or less; or
 - (B) 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; or
 - (C) if the funds are invested by a public agency insurance mutual as defined in Section 31A-1-103(7)(a), 20 years or less;
- (i) fixed rate corporate obligations that:
 - (i) are rated "A" or higher or the equivalent of "A" or higher by two nationally recognized statistical rating organizations;
 - (ii) are senior unsecured or secured obligations of the issuer, excluding covered bonds;
 - (iii) are publicly traded; and
 - (iv) have a remaining term to final maturity of 15 months or less or are subject to a hard put at par value or better, within 365 days;
- (j) tax anticipation notes and general obligation bonds of the state or a county, incorporated city or town, school district, or other political subdivision of the state, including bonds offered on a when-issued basis without regard to the limitations described in Subsection (7) 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; or
 - (iii) if the funds are invested by a public agency insurance mutual as defined in Section 31A-1-103(7)(a), 20 years or less;
- (k) bonds, notes, or other evidence of indebtedness of a county, incorporated city or town, school district, or other political subdivision of the state that are payable from assessments or from revenues or earnings specifically pledged for payment of the principal and interest on these obligations, including bonds offered on a when-issued basis without regard to the limitations described in Subsection (7) 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; or
 - (iii) if the funds are invested by a public agency insurance mutual as defined in Section 31A-1-103(7)(a), 20 years or less;
- (l) shares or certificates in a money market mutual fund;
- (m) variable rate negotiable deposits that:

- (i) are issued by a qualified depository or a permitted depository;
- (ii) are repriced at least semiannually; and
- (iii) have a remaining term to final maturity not to exceed three years;
- (n) variable rate securities that:
 - (i)
 - (A) are rated "A" or higher or the equivalent of "A" or higher by two nationally recognized statistical rating organizations;
 - (B) are senior unsecured or secured obligations of the issuer, excluding covered bonds;
 - (C) are publicly traded;
 - (D) are repriced at least semiannually; and
 - (E) have a remaining term to final maturity not to exceed three years or are subject to a hard put at par value or better, within 365 days;
 - (ii) are not mortgages, mortgage-backed securities, mortgage derivative products, or a security making unscheduled periodic principal payments other than optional redemptions; and
- (o) reciprocal deposits made in accordance with Subsection 51-7-17(4).
- (4) The following public funds are exempt from the requirements of Subsection (3):
 - (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.
- (5) If any of the deposits authorized by Subsection (3)(a) are negotiable or nonnegotiable large time deposits issued in amounts of \$100,000 or more, the interest shall be calculated on the basis of the actual number of days divided by 360 days.
- (6) A public treasurer may maintain fully insured deposits in demand accounts in a federally insured nonqualified depository only if a qualified depository is not reasonably convenient to the entity's geographic location.
- (7) Except as provided under Subsections (3)(j) and (k), the public treasurer shall ensure that all purchases and sales of securities are settled within:
 - (a) 15 days of the trade date for outstanding issues; and
 - (b) 30 days for new issues.

51-7-15 Bonds or crime or theft insurance for of state treasurer and other public treasurers -- Reports to council.

- (1)
 - (a) The state treasurer, county, city, and town treasurers, the clerk or treasurer of each school district, and other public treasurers that the council designates by rule shall be bonded or may procure crime or theft insurance as allowed in 31A-1-103 in an amount of not less than that established by the council.
 - (b) The council shall base the minimum bond amount or crime or theft insurance as allowed in 31A-1-103, on the amount of public funds normally in the treasurer's possession or control.
- (2)
 - (a) When a public treasurer deposits or invests public funds as authorized by this chapter, the public treasurer and the public treasurer's bondsmen or insurers are not liable for any loss of public funds invested or deposited unless the loss is caused by the malfeasance of the public treasurer or a member of the public treasurer's staff.

(b) A public treasurer and the public treasurer's bondsmen or insurers are liable for a loss for any reason from deposits or investments not made in conformity with this chapter and the rules of the council.

(3)

(a) A public treasurer shall file a written report with the council on or before January 31 and July 31 of each year.

(b) The report shall contain:

(i) the information about the deposits and investments of that public treasurer during the preceding six months ending December 31 and June 30, respectively, that the council requires by rule; and

(ii) information detailing the nature and extent of interest rate contracts permitted by Subsection 51-7-17(3).

(c) A public treasurer shall make copies of the report available to the public at the public treasurer's office during normal business hours.

**51-7-16 State Money Management Council -- Members -- Terms -- Vacancies -- Chair and vice chair-- Executive secretary -- Meetings -- Quorum -- Members' disclosure of interests -
- Per diem and expenses.**

(1)

(a) There is created a State Money Management Council composed of five members appointed by the governor after consultation with the state treasurer and with the consent of the Senate.

(b) The members of the council shall be qualified by training and experience in the field of investment or finance as follows:

(i) at least one member, but not more than two members, shall be experienced in the banking business;

(ii) at least one member, but not more than two members, shall be an elected treasurer;

(iii) at least one member, but not more than two members, shall be an appointed public treasurer; and

(iv) two members, but not more than two members, shall be experienced in the field of investment.

~~[(c) No more than three members of the council may be from the same political party.]~~

(c) a member of the Council shall be appointed without regard to the member's political party affiliation.

51-7-23 Transition of investments previously authorized.

(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.

(b) A plan described in Subsection (2)(a) is subject to annual review by the council.

(c)The council may authorize, with substantial justification, an exception to the 5 year maturity requirements of 51-7-11.