



G R E A T E R S A L T L A K E

Municipal Services District

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES GREATER SALT LAKE MUNICIPAL SERVICES DISTRICT

Held Wednesday, **September 22, 2021**, at 6:00 p.m.
At 2001 South State Street
Room N2-800
Salt Lake City, UT 84190

Trustees Present:

Joe Smolka, Chair
Paulina Flint, Vice-Chair
Kelly Bush (via Webex)
Sean Clayton (via Webex)
Dan Peay
Keith Zuspan

Trustee Excused:

Laurie Stringham

Staff Present:

Brian Hartsell, MSD Interim General Manager
Marla Howard, MSD Chief Financial Officer and Records Officer
Lupita McClenning, MSD Director of Planning and Development Services
Izabela Miller, MSD Technology Manager
Mark Anderson, MSD Legal Counsel
Tabitha Mecham, MSD Administrative Coordinator

Others Present:

Crystal Hulbert, Salt Lake County Public Works Engineering
Madeline Francisco-Galang, Salt Lake County Public Works Engineering
Kevyn Smeltzer, Salt Lake County Director of Public Works Operations
Abby Evans, Salt Lake County Senior Policy Advisor
Lisa Hartman, Salt Lake County Associate Deputy Mayor
Paul Ashton, Magna and White City Metro Townships Legal Counsel
Rori Andreason, Magna and White City Metro Township Administrator
Scott Baird, Salt Lake County Public Works Director
Corey Bullock, Salt Lake County Parks Maintenance
Kade Moncur, Salt Lake County Engineering and Flood Control Director
Abby Evans, Salt Lake County Senior Policy Advisor
Lisa Hartman, Salt Lake County Associate Deputy Mayor
John Crandall, Stifel
Lainey Markisich, Stifel
Gary Bowen, Emigration Canyon Metro Township

Trustees

Joe Smolka **Paulina Flint** **Kelly Bush** **Sean Clayton** **Dan Peay** **Laurie Stringham** **Keith Zuspan**
Chair **Vice Chair**

1. Call to Order - Joe Smolka, Chair

Chair Smolka called the meeting to order at 6:00 pm.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

3. Public Comments

There were no public comments.

4. Approval of Meeting Minutes

Marla Howard stated that she had some grammatical corrections in the minutes that would not change the substance of the minutes.

Trustee Flint moved to approve the minutes for September 8, 2021, to include grammatical changes. Trustee Peay seconded the motion. Chair Smolka and Trustees Flint, Bush, Clayton, Peay and Zuspan each voted “aye”.

5. Consideration of Bond Interlocal Agreement Mark Anderson, Brian Hartsell, and Marla Howard, and Laynie Markisich and John Crandall from Stifel.

Brian Hartsell provided an overview of the draft Bond Interlocal Agreement (BIA) that was provided in the Board member packet. An end term of 2035 isn't very long, and Mark Anderson suggested that going to 2036 or 2037 might provide some leeway. There was a brief discussion of the term of the BIA, and the proposed timeline. Mark indicated that Nathan Bracken provided feedback, and believes the changes in the BIA reflect the desires of his clients. Trustee Flint spoke about the Trustee vote provision in the BIA that will allow some flexibility, which was clarified by Mark. Brian added that the proposed timeline is aggressive, but it can be modified if the Interlocal Agreement doesn't get approved quickly.

6. Consideration of Bond scenarios and analysis Brian Hartsell, Marla Howard and Lanie and John Crandall with Stifel

John Crandall introduced his firm and the staff that is working on the MSD bond issuance. Brian Hartsell spoke about four scenarios and the schedule provided by Stifel. John Crandall spoke about two different bond sale methods and the advantages and disadvantages of each. Brian spoke to the timeline provided by Stifel and the potential impact of certain events on the timeline.

Brian Hartsell reported that he and Marla Howard had completed their review of the qualifications of three law firms that are able to provide bond and disclosure counsel services for the MSD. He suggested holding a special Board meeting, if necessary, to stay on the timeline. Mark Anderson suggested that bond counsel be asked to review the bonding Interlocal Agreement, and that either Chair Smolka or Brian Hartsell sign the contract with the law firm that is selected to act as bond counsel for the MSD. The Board could then ratify the contract during the next Board meeting.

In response to a question from Mark Anderson about the bond rating process and bond insurance, John Crandall explained that the MSD may not need insurance due to the strength of the collateral of Class B&C road funds. The Interlocal Agreement will be the backbone to the strength of the MSD's bond rating. In response to a question from Trustee Zuspan, John explained that optional redemption comes at a price. The bond market values B&C road revenues as a consistent, stable income source, and a typical rating would be AA. If an AA rating is obtained, there wouldn't be a need for bond insurance.

John Crandall reviewed the bonding process, including discussing private placement of the bonds compared to a public offering, and responded to questions from the Trustees. The discussion included a timeline for the bond issuance and the importance of the proposed Interlocal Agreement. Brian Hartsell and Marla Howard expressed their opinions and provided additional information. Mark Anderson explained that state law requires the six municipalities that are part of the MSD to remit their sales taxes and road funds to the MSD.

Chair Smolka asked that ratification of the contract between the MSD and bond counsel be on the next Board meeting agenda. It will be necessary to decide how Stifel is to proceed with the placement of the bonds in order to meet the timeline. Chair Smolka took a poll of the Trustees on their preference for the type of bond placement, with the following result:

Trustee Clayton	Public Offering
Trustee Bush	Public Offering
Chair Smolka	Public Offering
Trustee Flint	Public Offering
Trustee Peay	Public Offering
Trustee Zuspan	Private Offering

Stifel will proceed with the public offering option and provide updates to Brian and Marla.

John Crandall explained, if the MSD receives a rating below AA, costs will increase due to the cost of obtaining bond rating insurance and/or a higher interest rate being attached to the bonds. The rating presentation is currently scheduled in the middle of November. John Crandall offered to prepare a quick analysis of the likely cost associated with obtaining bond insurance and get it out to the Board. Trustee Clayton, noting that indicators point to a AA rating, asked what might take the bond out of an AA rating. John Crandall responded that the pledge of B&C road funds is good, but the Interlocal Agreement could adversely affect the rating if it provides an exit ramp for a participant.

7. Consideration of Community Development Block Grant (CDBG) for Kearns 4805 S, 4480 W and 4835 S Loop Sidewalk (Discussion and possible action)-Madeline Francisco-Galang

Brian Hartsell reminded the Board that this contract was presented in July, but the Board needed first to approve an excessive use of force policy, which has been done. Madeline Francisco-Galang requested approval of the CDBG contract to complete the survey work.

Trustee Bush made a motion to approve the Community Development Block Grant Contract for the Kearns 4805 South, 4480 West and 4835 South Loop Sidewalk. Trustee Flint seconded the motion. Chair Smolka and Trustees Bush, Clayton, Flint, Peay, and Zuspan voted "aye".

8. Consideration of Budget adjustment of \$4,510 for Kearns 4805 South, 4480 W and 4835 S Loop Sidewalk

Madeline Francisco- Galang requested a \$4,510.00 budget adjustment for the sidewalk project.

Trustee Bush made a motion to approve a budget adjustment of \$4,510 for work on the Kearns 4805 South, 4480 West and 4835 South Loop Sidewalk. Trustee Flint seconded the motion. Chair Smolka and Trustees Bush, Clayton, Flint, Peay, and Zuspan voted “aye”.

9. Consideration of the CDBG grant for Magna Downtown Revitalization for sidewalk design.

Crystal Hulbert requested that the Board approve the CDBG grant for Magna Downtown Revitalization sidewalk design work.

Trustee Bush made a motion to approve the CDBG grant for Magna Downtown Revitalization for sidewalk design. Trustee Peay seconded the motion. Chair Smolka and Trustees Bush, Clayton, Flint, Peay and Zuspan voted “aye”.

10. Consideration of budget adjustment of \$50,000 for sidewalk design at 9050 W.

Crystal Hulbert requested a \$50,000 budget adjustment for sidewalk design on 9050 West for the above approved contract.

Trustee Bush made a motion to approve a budget adjustment of \$50,000 for sidewalk design at 9050 West. Trustee Peay seconded the motion. Chair Smolka and Trustees Bush, Clayton, Flint, Peay, and, Zuspan voted “aye”.

11. Consideration of Horrocks ROW contract for 4700 S.

Madeline Francisco- Galang explained that this contract has previously been approved, but it is necessary to move the right-of-way (ROW) work to a different company, and asked the Board to approve a modified ROW contract.

Trustee Bush made a motion to approve the Horrocks Right of Way Contract for 4700 South. Trustee Peay seconded the motion. Chair Smolka and Trustees Bush, Clayton, Flint, Peay and Zuspan voted “aye”.

12. Consideration of Valley Emergency Communications Center (VECC) Memorandum of Understanding

Izabela Miller presented the work the MSD staff has begun with VECC. She explained that the Memorandum of Understanding (MOU) has been signed by the Executive Director of VECC and was ready for MSD Board consideration.

Trustee Bush made a motion to approve the Valley Emergency Communications Center (VECC) Memorandum of Understanding. Trustee

Zuspan seconded the motion. Chair Smolka and Trustees Bush, Flint, Clayton, Peay and Zuspan voted “aye”.

Tabitha Mecham will send the MOU to Chair Smolka and Marla Howard for signing

13. Consideration of the 2022 Budget

Brian Hartsell and Marla Howard discussed the Budget for 2022 and recommend adjustments, including an adjustment to cover the hiring of an Associate Chief Building Official as part of succession planning and to meet the increasing demand upon the inspectors.

Marla Howard spoke about changes that have been made for the Kearns Metro Township Budget that have already been approved by the Board.

Trustee Zuspan requested an addition of \$19,000.00 for fire mitigation from the Forrest Service, to be prepared for a catastrophic fire event.

Marla Howard presented General Fund Budget adjustments, which included moving Technology from the Planning and Development Department to the Administration Department, with no changes in salary. The MSD was notified by PEHP that the increase in health care premiums will be just under 5%, rather than the 10% increase that had been budgeted before receiving the FY2022 insurance rates.

Brian reviewed the capital projects, recommending funding for only identified projects to ensure that the priority projects are being funded, to enable engineering to focus on the projects that are to be funded by bonding and previously approved ongoing projects, and to protect the fund balance. He suggested funding about \$3.2 million in projects, rather than the full \$5 million that had been identified, and he recommended \$3.5 million as a placeholder for road maintenance. Bids are coming in much higher than in the past, and we need to be able to respond to increasing costs. It will be necessary to add the MSD match portion of the Magna and Kearns CDBG grants that the Board just approved to next year's Budget. It was noted that DTS will present the results of the road condition survey on Thursday.

The actual Metro Township expenses through August 31st were updated in the schedules. In addition, the full amount of the anticipated bond repayments was added to the preliminary FY 2022 Budget.

The MSD needs to think about succession planning in key positions and the ability to pass on institutional knowledge. For example, the plans examiner or building inspector component of Trent Sorenson's position will be addressed by the new Associate Chief Building Official position.

14. Planning and Development Services report given by Lupita McClenning, the Director of Planning and Development Services.

Lupita McClenning provided an update on work undertaken by the Planning and Development Department over the past few months.

15. Consideration of MSD Property Tax Discussion

Mark Anderson and Chair Smolka discussed the possible imposition of property taxes by the MSD in the future, but the implementation of utility franchise taxes by the municipalities that are part of the MSD is the preferred method to increase revenues at this time.

16. General Manager report

The General Manager report was presented by Brian Hartsell, Interim General Manager. He has sent notifications to inform the Salt Lake County service providers that the MSD desires to continue to receive the services for another year, which notification is required by October 1 per contract.

Brian reported that 26,000 MSD newsletters were sent out on Monday, and reminded the Board that budget adjustments may be necessary for CARES2 fund expenditures. Any 2021 Budget adjustments should be considered either in November or December.

Brian informed the Board that the first ARPA report is due by October 31st. No ARPA funds have been spent during the initial reporting period ending September 30, 2021.

17. Other Metro Township, Town, Unincorporated County, and Greater Salt Lake Municipal Services District business

There was no other business to be considered by the Board.

18. Discussion of future agenda items

Mark Anderson requested three agenda items on all agendas going forward, until further notice:

1. Discussion of the character, professional competence, or physical or mental health of an individual (possible closed meeting pursuant to Utah Code Ann. § 52-5-205(1)(a))
2. Discussion of imminently threatened litigation. (Possible closed meeting pursuant to Utah Code Ann. § 52-5-205(1)(c))
3. Personnel Issues

On the agenda for the October 13, 2021 Board meeting: the approval of Amendment #2 to the Master Development Agreement (MDA) for the Olympia Hills Development that will terminate the Agreement. The Development will be annexed into Herriman City.

In August of 2022, a discussion of the possible implementation of a property tax should be a Board meeting agenda item.

19. Adjourn

Trustee Flint moved to adjourn. Trustee Peay seconded the motion. Chair Smolka and Trustees Flint, Bush, Clayton, Peay and Zuspan voted "aye".

Approved by the Board of Trustees on the 13th day of October, 2021.

Joe Smolka, Chair

ATTEST:

Marla Howard, Clerk

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