



G R E A T E R S A L T L A K E
Municipal Services
District

**MEETING 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

Trustees 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

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 (up to 3 minutes each)

There were no public comments.

4. Approval of Meeting Minutes

Marla Howard stated that she had some grammatical changes to 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 Bush, Clayton, and Zuspan each voted “aye”.

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

Brian Hartsell provided an overview of the draft Bond Interlocal Agreement (BIA) that was provided in the packet. Using the term 2035 isn't very long and Mark Anderson suggested going to 2036 or 2037 to give some leeway. Chair Smolka brought up it is in Marla's projection. Trustee Flint thinks that we may need to extend the term, as Mark suggested in the recital paragraph because it isn't a long time and it may be needed. Brian said if it takes longer to get the interlocal agreement in place the bond timeline will have to be extended.

Mark indicated that Nathan Bracken gave his feedback to him and feels that the changes reflects the desires of his clients. Flint spoke about the vote provision that will allow an extension which was clarified by Mark. Brian again added that we will discuss an estimated timeline that is aggressive but can be affected if the interlocal doesn't get approved.

6. Consideration of Bond scenarios and analysis (Discussion and Possible Action) Brian Hartsell, Marla Howard and Lanie and John Crandall with Stifel

John Crandall introduced the firm and the staff that is working on our bond issuance. Brian Hartsell spoke about the four scenarios and the schedule provided by Stifel.

John Crandall spoke to the two different methods and the advantages or disadvantages to each. Brian spoke to the timelines provided by Stifel and the impact to the timeline.

Brian Hartsell reported that he and Marla Howard completed their review of bond and disclosure counsel. He suggested holding a special meeting if we want to stay on the timeline. Mark Anderson suggested we have Bond Counsel review the bond and disclosure

counsel agreement and either Chair Smolka or Brian Hartsell sign the contract. The board would ratify the action at the next meeting.

Mark Anderson asked about the bond rating process and if bond insurance will be necessary. John Crandall explained that the MSD wouldn't really need insurance due to the strength of the collateral of Class B&C Road funds. The interlocal agreement is the backbone to the strength of the rating. Trustee Zuspan asked about early payoff of bond and how that would affect the bond payments. The optional redemption comes at a price. The market rates the B&C revenues as a consistent stable credit and typical rating would be AA. If the AA rating is obtained there wouldn't be the need of bond insurance.

John Crandall stated that private placement would be much easier, they would approach either seven or eight banks would have an option to bid with a Request For Bid (RFB) Trustee Flint doesn't think we should plan on calling the bonds, because this is proving our credit worthiness. She feels that the lower interest rate and private offering is better to get this moving along.

Trustee Bush asked about the public offering and what kind of investors we would attract. Stifel said that we would get a good rating which drives investors to the bonds. There is money in the market looking for investors. Flint said this would set the credit worthiness of the MSD. She wouldn't be interested in paying the bond off sooner because that can impact the credibility of the MSD. Stifel stated that the breakeven is 75 basis points between public and private. There is pressure of rates are going up. The estimate in a year the rates could be up 75 basis points. Flint stated that having the money in the bank will benefit the 4700 south.

Trustee Bush recommended public offering. Trustee Flint is worried about the amount of time this is going to take from each community for the deadline for December 29th. Trustee Clayton asked what the difference is going to cost us to get placed early as compared to later in the year. So must decide if it's worth the additional money to wait. And is there an audit requirement. John Clayton said that public offering does require posting on EMMA and must do a Continuous Disclosure Undertaking. State law requires that audits are done within 180 days after year end. Private offering does NOT require Continuous Disclosure Undertaking. Marla Howard leans toward doing a public offering. Brian Hartsell doesn't have a preference. John Crandall asked if there was a law stating that if one of the seven members don't contribute towards the repayment of the bond, if there was an ordinance compelling them to do so. There is not, hence the purpose of the interlocal agreement. The state code says, "we shall remit our sales tax to the MSD" and the ordinance and state code are the guaranty for the remittance.

Chair Smolka asked that we include on the next agenda the ratification for the contract between the MSD and Stifel in regard to the bond counsel. It is necessary to decide on how Stifel is to proceed with the placement of the bonds in order to get it placed in time. Chair Smolka took a poll of the Trustees on the type of placement:

Trustee Clayton	Public
Trustee Bush	Public
Chair Smolka	Public

Trustee Flint	Public
Trustee Peay	Public
Trustee Zuspan	Private

Steifel will proceed with public offering option and let Brian and Marla have updated options.

John Crandall stated that the assumption was made that there is a AA rating, and there is a potential increase of 25 basis points for only an A rating. The middle of November is when the rating presentation is currently scheduled. Mark Anderson asked about the cost of bond insurance if there is only a rating of A. John Crandall said that there would be additional cost and offered to do a quick analysis and get it out to the board. Trustee Clayton stated that there were indicators that pointed to AA rating, and what would take it out of a AA rating. John Crandall stated that the pledge of B&C road funds is good, but that there should be no agreement that allows for the exit of a participant. The interlocal agreement could 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 and we needed to first approve an excessive use of force policy, which is now done. Madeline Francisco-Galang is requesting approval of the CDBG contract to complete the survey.

Trustee Bush made a motion to approve the Community Development Block Grant for Kearns 4805 S, 4480 W and 4835 S Loop Sidewalk, Trustee Flint seconded the motion. Chair Smoka, Trustees Bush, Clayton, Flint, Peay, and Zuspan voted “aye”.

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

Madeline Francisco- Galang is requesting \$4,510.00 budget adjustment for the Loop sidewalk.

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

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

Crystal Hulbert is requesting the board to approve the CDBG grant for the Magna Downtown Revitalization sidewalk.

Trustee Bush made a motion to approve the CDBG grant for Magna Downtown Revitalization for sidewalk design, Trustee Peay seconded the motion. Chair Smoka, 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 budget adjustment of \$50,000 for the sidewalk design on 9050 W for the above approved contract.

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

11. Considerations of Horrocks ROW contract for 4700 S.

This contract has previously been approved, but it is necessary to move the work to a different company. Madeline Francisco- Galang requests the Board to approve a Modification of the ROW contract.

Trustee Bush made a motion to approve the Horrocks ROW contract for 4700 S, Trustee Peay seconded the motion. Chair Smolka, 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 they have begun with VECC. The Memorandum of Understanding (MOU) was signed by the Executive Director of VECC and is now ready for Board approval.

Trustee Bush made a motion to approve Valley Emergency Communications Center (VECC) Memorandum of Understanding. Trustee Zuspan seconded the motion. Chair Smolka, Trustees Bush, Flint, Clayton, Peay and Zuspan voted “aye”.

Tabitha Mecham will send 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 where they recommend it is necessary to adjust. The budget was adjusted for the inclusion of an Associate Chief Building Official as part of the succession planning and meeting the increasing demand upon the inspectors.

Marla Howard spoke about the changes that have been made for Kearns 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 the General Fund budget adjustments. This included moving Technology from the Planning and Development Department to the Administration Department, no changes in salary. The MSD received notification from PEHP that the

change in Health Care will be just under a 5% increase, rather than the 10% increase that had been budgeted before we had the FY2022 insurance rates.

Brian reviewed the capital projects, recommends funding only certain projects to ensure that the priority projects are being funded to preserve fund balance and so engineering can focus on the bond projects and previously approved ongoing projects. He will need to add the MSD match portion of the Magna and Kearns CDBG grant the board just approved. He is recommending about \$3.2 million for new FY2022 projects. A 3.5 million budget for in Engineering Maintenance for contracted maintenance work above what was included from the Salt Lake County Public Works Operations FY2022 budget. Their budget only included worked performed directly by them. DTS will be presenting the results of the road condition survey on Thursday.

The actual expense to Metro budgets through August 31st was updated in the schedules
The full amount of the Bond repayment was added.

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

Brian Hartsell recommended that we fund only certain projects for our 2022 year, to ensure that priority projects are fully funded, and to protect our fund balance. He suggested we only fund about \$3.2 million in projects rather than the full \$5 million that was identified. Recommends \$3.5 million to place holder for road maintenance. Bids are coming in much higher than before and we need to be able to respond to that.

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

Lupita McClenning provided an update on the work the Planning and Development department has done over the past few months.

15. Consideration of MSD Property Tax Discussion

Mark Anderson and Chair Smolka have discussed the possibility of Property taxes for the MSD in the future, but implementation of Franchise taxes is the preferred method at this time.

16. General Manager report

General Manager report was given by Brian Hartsell, Interim General Manager. He reported that he has sent notifications to the Salt Lake County service providers that we are continuing services for another year, which notification is required by Oct 1 per the contract.

He reported that the MSD newsletter was sent out on Monday, 26,000 Newsletters were sent out.

He reminded the Board that budget adjustments may be necessary for CARES2 funds expenditures and that any budget adjustment should be considered either in November or December.

He informed the Board that the first ARPA report is due October 31st this year. No funds have been spent during the initial reporting period ending Sep 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:

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 lawsuits. (Possible closed meeting pursuant to Utah Code Ann. . § 52-5-205(1)(c))
3. Personnel Items- (Possible Closed Session)

Next agenda for October 13, 2021 meeting the approval of amendment number two to the MDA for Olympia Hills Project that will terminate the agreement. The project will be annexed into Herriman.

In August 2022, the inclusion of a discussion of the Metro Franchise tax implementation procedure.

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

Meeting adjourned at 8:28 pm

APPROVED:

Joe Smolka

Joe Smolka, Chair

ATTEST:

Marla Howard

Marla Howard, Clerk