

DATE: March 15, 2018

THE SALT LAKE VALLEY LAW ENFORCEMENT BOARD MET ON THURSDAY, MARCH 15, 2018 AT THE HOUR OF 10:30 A.M. AT THE SHERIFF'S OFFICE BUILDING, 3365 SOUTH 900 WEST ROOM 115B, SALT LAKE CITY, UTAH.

TRUSTEES PRESENT:

COUNCILMAN JIM BRADLEY, CHAIR

COUNCILMAN DAVID BREMS,
EMIGRATION CANYON

COUNCILMAN ALAN PETERSON,
KEARNS

COUNCILMAN CODY CUTLER, WHITE
CITY

COUNCILMAN APPOLLO PAZELL,
COPPERTON

EXCUSED:

COUNCILWOMAN JENNY WILSON, SALT
LAKE COUNTY

COUNCILMAN STEVE PROKOPIS,
MAGNA

COUNCILMAN MAX BURDICK, SALT
LAKE COUNTY

ATTENDED VIA PHONE:

ALSO PRESENT:

SCOTT JURGES, TREASURER

ANDREW KEDDINGTON, SLVLESA ADMINSTRATOR

KARL HENDRICKSON, SLVLESA LEGAL COUNSEL

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Chairman Bradley called the meeting to order.

Item #1 – Public Comment:

Chairman Bradley asked if anyone was present who wished to address the Board. No one came forward. Public Comment was closed.

Item #2 – Disclosure of Conflicts of Interest

Action Requested: Identify Conflicts, if any

Discussion:

Chairman Bradley asked if there were any conflicts of interest. None were identified.

Item # 3 – Informational: Update on 2018 TAN's Issuance

Action Requested: None

Discussion: Mr. Keddington reviewed Board's direction last month to issue a \$9.75 million tax anticipation note at 1.76% interest rate. It was determined that the 2017 note had some arbitrage that was owed. In light of this, staff and financial advisors reassessed the 2018 note, and determined it was in the best interest of SLVLESA to downsize the note to \$7 million to ensure a timely 6 month spend-down. In meeting the 6 month spend-down, SLVLESA is not required to pay back any arbitrage.

Councilman Brems clarified that arbitrage is earning more in interest than the IRS allows. The IRS does not allow the borrowing of tax exempt money, and then the making of money off of the transaction. At best, the transaction should break even.

Mr. Keddington stated that in order to meet the cashflow needs of the district, there is a need for a second Tax Anticipation Note of \$2-\$2.75 million, since the initial note was reduced to avoid arbitrage fees. He stated that the second issuance cost is \$18-20k. He reported the timeframe of that second issuance is between May-August.

Councilman Brems stated that SLVLESA is in an arbitrage situation currently, and it is anticipated that interest rates are anticipated to change again soon. This strategy of issuing two TANs helps ensure SLVLESA doesn't have to pay anything back, presuming there are positive arbitrage earnings.

Item #4- Informational: Allocation of Fund Balance for Millcreek, Herriman, and Riverton

Action Requested: None

Discussion: Chairman Bradley stated there were two different methodologies to determine the amount of fund balance that went to Riverton, Herriman and Millcreek. He turned the time over to Mr. Keddington to explain.

Mr. Keddington reported that the allocations to Riverton and Herriman were based on the cumulative revenues and cumulative expenses. Essentially an income statement was created from 2012-2017 showing income and expenses, and the excess was returned to Riverton and Herriman.

Mr. Keddington reported that for Millcreek, there was a challenge because Millcreek didn't become a city until 2017. Deriving taxable value for previous years was difficult, particularly in light of the public safety fee structure. The recommendation of staff was to take the 2016 taxable value, apply that as the 2012-2016 revenues, and then use the 2017 taxable value as 2017's revenue.

He stated that through these formulas, the fund balances to be paid out are: Riverton City- \$865,608 Herriman City- \$2,277,624 Millcreek City- \$2,035,772. Mr. Keddington stated these amounts were agreed upon in the resolutions to leave SLVLESA.

Mr. Bradley asked if there was any pushback on the proposed numbers. Mr. Keddington stated there was not—all cities were agreeable to the numbers.

**Item # 5 – Motion: Consideration of UPD/SLVLESA Interlocal for Services
Action Requested: Approval**

Discussion: Mr. Keddington stated that the resolution is not ready at this time, and asked that it be tabled until next meeting.

Councilman Cutler moved that the resolution be tabled until next meeting.

Councilman Brems seconded.

All voted in favor; none opposed.

Motion Passed.

**Item # 6– Motion: Adoption of minutes from January 18, 2018 and February 15, 2018
Board Meetings**

Action Requested: Approval

Discussion: Chairman Bradley corrected a typo in the February minutes, which had his attendance recorded as being both present and absent. He clarified he was absent for the February meeting.

Councilman Pazell moved to approve the minutes.

Councilman Cutler seconded.

All voted in favor; none opposed.

Motion Passed.

Item #7- Other Business-

Councilman Peterson asked for an update for selecting an administrator and the Board's role in interviewing the applicants.

Mr. Keddington stated the position for the SLVLESA Administrator has been posted and closes tomorrow. He stated that staff intent was to ask for Board participation, and stated no one has come forward at this time.

Councilman Peterson stated he would like to volunteer to be on the selection/interview committee. Councilman Peterson was selected to represent the SLVLESA Board on the interview panel.

Seeing no other business, Chairman Bradley adjourned the meeting.

Meeting was adjourned at 11:00 AM.

Next meeting: April 19, 2018 at 10:30 AM or immediately following UPD Board Meeting.

MINUTES APPROVED:

By _____
CHAIR, SALT LAKE VALLEY LAW ENFORCEMENT SERVICE AREA

CLERK

BOARD APPROVED: _____