

Date: March 21, 2019

THE SALT LAKE VALLEY LAW ENFORCEMENT SERVICE AREA BOARD OF TRUSTEES MET ON THURSDAY, MARCH 21, 2019 AT THE HOUR OF 10:30 A.M. AT THE SHERIFF'S OFFICE BUILDING, 3365 SOUTH 900 WEST ROOM 115, SALT LAKE CITY, UTAH

<u>Present:</u>	<u>Excused:</u>	<u>Attended Via Phone:</u>
TRUSTEE JIM BRADLEY, CHAIR	TRUSTEE JENNY WILSON, SALT LAKE COUNTY	NONE
TRUSTEE DAVID BREMS, EMIGRATION CANYON	TRUSTEE MAX BURDICK, SALT LAKE COUNTY	
TRUSTEE APOLLO PAZELL, COPPERTON		
TRUSTEE STEVE PROKOPIS, MAGNA		
TRUSTEE ALAN PETERSON, KEARNS		
TRUSTEE CODY CUTLER, WHITE CITY		

ALSO PRESENT:

FRANK NAKAMURA, SLVLESA DISTRICT ADMINISTRATOR/SLVLESA LEGAL COUNSEL

RICHARD MOON, SLVLESA TREASURER

LISA DUDLEY, SLVLESA DEPUTY TREASURER

SHERIFF ROSIE RIVERA, SHERIFF SALT LAKE COUNTY/UPD AND CEO OF SLVLESA

CHIEF JASON MAZURAN, CHIEF OF POLICE SALT LAKE COUNTY/UPD

CHIEF BRIAN LOHRKE, DEPUTY CHIEF KEARNS PRECINCT

CHIEF JASON ACKERMAN, DEPUTY CHIEF MAGNA PRECINCT

CHIEF RANDALL THOMAS, DEPUTY CHIEF MIDVALE PRECINCT

CAPTAIN WAYNE DIAL, SPECIAL OPERATIONS

DANIE BILLS, GRAPHIC DESIGNER SALT LAKE COUNTY

MARCIE KAY, SLVLESA CLERK

Item #1-Call to Order.

Jim Bradley called the meeting to order at 10:30 on Thursday, March 21st, 2019.

Item #2-Disclosure of Conflicts of Interest

Action Requested: Identify Conflicts, if any

Discussion: Trustee Bradley asked if there were any conflicts of interest. None were identified.

Item #3- Public Comment:

Trustee Bradley asked if anyone was present who wished to give public comment to the Board. There were none. Public comment was closed.

-Skipped to Item #5 due to technical issues with the equipment for the website presentation. Board will return to Item #4 as soon the equipment is fixed.

Item #5-Financial report and update.

Discussion: Frank Nakamura said they wanted a standing item to provide financial information to the Board and that SLVLESA Treasurer Richard Moon and SLVLESA Deputy Treasurer Lisa Dudley will provide updated financial information.

Richard Moon addressed the Board and referenced the information from the packet that was sent out to the Board members. A copy of the financial information is attached and is incorporated in these minutes by reference. This is the SLVLESA cost breakdown. He discussed the pooled services portion of the budget from last year, which was approved for fiscal year 2019. He said the population is based on the 2017 census and the callouts were from 2016 because that is the newest information they have. He said Kearns was just over 45%, Magna just over 37%, Southwest islands 4.5%, White City about 6%, Southeast Islands about 5%, and Emigration 2%.

Trustee Pazell stated that Copperton was not listed.

Richard Moon said that Copperton is part of the Southwest Islands, which is how it is broken down in the budget by the previous UPD CFO Scott Jurges. He stated that the other document he handed out to the Board was the check register for this month. They paid Frank Nakamura and the USI Insurance for the directors' and officers' bond for the year. There are four others, one marked as a void which was voided in the wrong period. The \$108,000 was for last year. The budget adjustment was made for the Chief and Lieutenant for Magna and Kearns which will be split.

Trustee Prokopis stated that he wanted to go back to the Copperton issue. He said he thought that he had seen Copperton broken down as its own entity in the past.

Richard Moon said that he will look into it. He stated that it was broken down by Scott Jurges's old budget because that is how he had it.

Trustee Prokopolis stated he wanted to make sure that there will be separate accounting for Copperton because it is probably similar in size to Emigration.

Richard Moon said he will double check the numbers to make sure and that all he had to go on were Scott Jurges's numbers and his budget.

Trustee Pazell stated that Copperton's 3/4ths of an FTE would not cost \$835,000.

Frank Nakamura said that they are transitioning. Richard Moon and Lisa Dudley are transitioning from prior financial accounting but will work on that in the next report and will have that worked out.

Richard Moon referenced the check register. He said they had the regular monthly fee they paid to UPD. The \$74,768.64 was for last year and the last six months of last year for the UPD employees that provided support services to SLVLESA based on a percentage of what they do.

Frank Nakamura asked if there were any questions for Richard Moon.

Trustee Bradley said he had an observation. He appreciated the detail that Frank Nakamura and Richard Moon had gone into. He said while it is a large package it is also very comprehensive.

Frank Nakamura introduced Lisa Dudley, SLVLESA Deputy Treasurer and UPD financial officer. He they are required to do arbitrage calculations for 2018 TRANS and that Lisa will explain the arbitrage calculations that have been completed.

Lisa Dudley stated that last year for the TRANS notes, SLVLESA issued two separate transactions. The first was 7 million dollars and was issued last February. The second, 1.7 million dollars, was issued in July. There was not a problem or a penalty. She did want to talk about the arbitrage calculation for the 7 million dollars issue. She stated that last year when SLVLESA determined that they needed to sell TRANS notes that was done for the purpose of meeting cash flow needs and current expenses for the fiscal year. In accordance with Section 148 of the tax code, the tax exempt borrowing cost of the note must be above the rate of the proceeds from the TRANS that were invested. When we get the TRANS funds, we send it to the State Treasurer's pool where it is invested. We earn interest on that investment while it sits in the pool, before we make our expenditure payments for law enforcement. For series 2018A which is the \$7 million, the tax-exempt borrowing cost was 1.7625 but the investment yield from the proceeds came to 2.2923, so a bit higher than the borrowing rate. Since that taxable investment yield exceeded the borrowing cost, a rebate liability was determined was due to the IRS and that amount was \$10,010.40. When you see the check register for that, you will see it is \$11 higher because we were just a couple of days late in the filing, so there was an \$11 timing penalty to the IRS. We work with a company called Antech. This arbitrage calculation is a very specific calculation. Very few companies across the US specialize in arbitrage. They were very responsive and very quick.

Frank Nakamura asked if they could also move another agenda item because Sheriff Rivera had another meeting. She is item #8 on the agenda, so if we could now move to Sheriff Rivera and have her do her report. This has also been a standing item.

Trustee Bradley said they would move item #8 to the next position on the agenda.

Item #8-Report by Sheriff Rosie Rivera

Discussion: Sheriff Rivera said that because all Trustees present were in the prior UPD meeting, her report is identical to the one she presented in that meeting, unless the Trustees have any more questions.

No one had any additional questions of the Sheriff. Trustee Bradley thanked Sheriff Rivera for her time.

Trustee Bradley said they would go to item #6.

Item #6-Update on finding property for the Kearns precinct station.

Discussion: Frank Nakamura said they have been looking for some property in Kearns and Chief Lohrke will give the Board an update on where they are with that. He said ultimately there will have to be a decision made by the Board as to the purchase of land, the construction of a building and the current lease they have.

Chief Lohrke addressed the Board and said that currently their lease is up for the property they are in and that they are month to month right now, in anticipation of purchasing or constructing a new building. He said he is asking the Board for direction on either extending this lease or continue with the month to month status. He said if they sign a new lease they are looking at possibly 12 to 18 months, in anticipation of the new building.

Trustee Prokopolis asked if the owner wanted them to do that or are they fine with it being month to month.

Chief Lohrke said he has not talked to them yet, he wanted to discuss it with the Board first. He said in regard to the land, they were hoping to get some surplus land from the State Department of Transportation. They have several parcels throughout Kearns. The one they are focusing on now is on 5600 West and about 6000 South, on the east side of the road. It has great accessibility and they have a plan laid out. Originally they thought they would be able to surplus that land and donate it over but after getting further along in the process they found out the State could not donate that land, if that land is going to be used by a revenue generating entity, which UPD is because they collect taxes and that is revenue that is taken in. So they would have to sell that property to us. That appraisal process is being done probably at the end of the month and they are hoping to get some numbers by mid-April on what the land will cost and that does not include construction of the building.

Trustee Bradley asked if Richard Moon could weigh in on the budget and accommodating the purchase of the land.

Richard Moon said they had put aside \$700,000 this year for the Kearns building. He said they do have \$500,000 extra for this year that could be appropriated to that, without decreasing the fund balance.

Chief Lohrke said the way the new budget is constructed each precinct specifically will have its own fund balance and budget, correct?

Lisa Dudley said yes.

Trustee Prokopolis asked if we will pay market value or if they would be willing to work with us.

Chief Lohrke said they are willing to work with us but he is not sure to what extent and that is why he is hesitant to give any numbers yet.

Trustee Bradley asked Richard Moon if he had an opinion on whether it should be a month to month lease.

Richard Moon said their current building is month to month

Frank Nakamura said he believes there is some risk if they do not pin that down. He said in their discussions they are looking at a year to two year lease.

Trustee Bradley asked if that required a motion or direction from the Board.

Frank Nakamura replied that it does not yet.

Going back to Item #4

Item #4-Discussion on changes to update and improve the SLVLESA website.

Discussion: Danie Bills said that what SLVLESA currently has on their website is pretty basic. It is hosted with Salt Lake County and the person who put the website together is no longer with the department, so it has been difficult to get in and make changes. In mid-April they should have full control of the website, right now they only have basic editing rights. She said that they would like the Board to tell them what changes they should make. She said they have all of the current agendas listed.

Trustee Prokopis asked if they have all of the Board members and their contact information on the website.

Danie Bills said she does not think they are right now but she and Frank Nakamura discussed doing something similar to the UPD website as soon as she has enough control of the website to update it. They are going to try and make everything on the website decluttered and easier to find.

Trustee Bradley asked if they can post prior meeting minutes.

Danie Bills said yes, they can post as far back as the Board would like.

Item #7-Summary of 2019 Legislation Impacting Districts

Discussion: Frank Nakamura said he provided information, which is a summary of all of the legislation that impacts the district. He said Senate Bill 187, which involves the canyons and Brighton and the issue of funding, was important to SLVLESA. He said they have additional time until June 2021, so they have some time to figure that out.

Trustee Bradley said that the new legislation did not extend as much as he would have liked but they did extend it. He said it is basically a tradeoff that they would continue to provide services to Brighton and in return the Mountainous Planning District would continue to have jurisdiction over planning and zoning issues. That was a good compromise.

Frank Nakamura said the discussions will have to continue as to what happens after. He asked if anyone had any questions but they did not.

Item #9-Public Hearing and Resolution. Consider a Resolution Amending the Calendar Year 2019 Budget to Transfer \$55,000 from Fund Balance to the General Fund and Appropriating \$55,000 to Fund the Costs of Repairing the Roof on the Magna Precinct Building Incurred by the Unified Police Department, Capital Improvement Needs for the Building Throughout the Year and Property Insurance on the Building.

Action Requested: Adopt

Discussion: Trustee Bradley asked if Richard Moon could give a briefing on that.

Richard Moon addressed the Board and said that they have not had building insurance on their new building, so \$500 of it is for that and the other \$54,500 is for the roof at the Magna building and also they need to re-pave the parking lot.

Frank Nakamura said that Chief Jason Ackerman from the Magna Precinct would like to talk about the building.

Chief Ackerman addressed the Board. He said as soon as the snow started falling they noticed that the roof was leaking. They called out the company that has been doing the maintenance for the roof for many years and they said they were not able to stop the leaking and the only way to fix it would be for an entire roof replacement. He said they had to use all of their garbage cans to collect rainwater that was leaking and they started losing speakers and power fixtures. They went ahead with the roof repair with a company called Stallings Construction. Stallings was on County contract and to their credit they were out in about a week and a half and completed it in less than a week.

Frank Nakamura said there may also be other structural issues, so they are asking for \$30,000 but also some additional funds for what they anticipate are other capital improvement needs.

Chief Ackerman said they are currently building out office space for their Detective Sergeant. He also said the parking area is in rough shape and that will be needing some attention in the near future as well.

Trustee Bradley entertained a motion to open the public hearing to adjust the budget.

Trustee Prokopolis so moved.

Trustee Peterson seconded.

All voted in favor; none opposed.

Trustee Bradley asked if there were any members of the public who wished to address the Board. There were none so he closed the public hearing.

Trustee Bradley entertained a motion to approve the budget adjustment.

Trustee Pazell motioned to approve the budget adjustment.

Trustee Peterson seconded.

All voted in favor; none opposed.

The motion passed.

Item #10-Consider a Resolution Authorizing the Issuance and Sale of up to \$8,000,000 of Tax and Revenue Anticipation Notes, Series 2019, in one or more series, of the Salt Lake Valley Law Enforcement Service Area, Utah and Entering into Certain Covenants and Making Certain Representations in Connection Therewith; Giving Authority to Certain Officers to Approve the Final Terms and Provisions and Confirm the Sale of the Notes Within the Parameters Set Forth in this Resolution; Approving a Form of Note Purchase Agreement and the Form of Notes; and Related Matters.

Action Requested: Adopt

Discussion: Jonathan Ward and Japheth McGee from Zions Bank Financial and Brad Patterson, legal counsel from the law firm of Gilmore & Bell, did a presentation on the TRANS and referenced the information they handed out to the Board. A copy of the presentation is attached and incorporated into the minutes by reference.

Frank Nakamura said he has asked Zions to look at the costs because he knows there has been concern. He said it is very complicated but they will continue to look at it. He said they have to meet their obligations and they need the cash to do it but they will continue to look at various options, like seeing if there is a way to change fiscal years but they can see that there are additional problems that come with that.

Trustee Pazell asked what additional problems they are referring to. He said he does not like to hear that there are additional problems and not knowing what they are. He wants to know what the problems would be specifically.

Jonathan Ward said mainly the work out and identifying exactly how you do the accounting for it, for the six months, working with the tax commission. He said he is not sure to what extent it adds benefit to the finance department. It would probably be nice for them to not be doing a budget for SLVLESA on a calendar year basis and then a budget for UPD six months later, so they are not doing budgeting 24-7 year round. We don't know the complications of the tax commission.

Frank Nakamura said that he is not saying that the problems outweigh looking at it.

Trustee Pazell said he just wants to know what the problems are.

Frank Nakamura said they have to look at it and see what kind of problems there are. You have to see the advantages versus the disadvantages and he needs the financial advisors, the experts, to look at it.

Jonathan Ward said to their knowledge it has never been done before.

Trustee Prokopis said he thought it was set by the legislature and did not think they could change it.

Trustee Pazell said that is the impression he had as well.

Trustee Prokopis said he thought special districts and districts had to follow calendar.

Trustee Pazell said he was under the impression that they would have to have fund balance in place to cover it.

Frank Nakamura said that is also what he understands but does not know for sure. He said maybe they can lobby the legislature to make some changes there but given the large fund balance they have to have, that translates into a large property tax increase and remember that we have a maximum levy by law that we can do.

Trustee Bradley entertained a motion to approve the resolution.

Trustee Peterson wanted to ask if the bid would go to the Bank of Utah.

Frank Nakamura said right now that is the bid but he does not think it has been awarded yet.

Jonathan Ward said no, that this resolution would authorize the designated person to make that official.

Trustee Cutler so moved.

Trustee Brems seconded.

All voted in favor; except Trustee Pazell who voted no.

The motion passed.

Trustee Bradley asked Trustee Pazell if he wanted to give a short explanation as to why he voted no. Trustee Pazell did want to at this time.

Item #11-Approval of Minutes for the February 21, 2019 meeting.

Action Requested: Approve

Discussion: Trustee Bradley entertained a motion to approve the minutes.

Trustee Cutler so moved.

Trustee Brems seconded.

All voted in favor; none opposed.

The motion passed.

Item #12-Adjourn.

Action Requested: Motion and Vote

Discussion: Trustee Bradley so moved.

Trustee Cutler seconded.

The meeting was adjourned.

Next meeting: Thursday, April 18th 2019.