

Utah Money Management Council

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A G E N D A

Money Management Council
Thursday October 22, 2020
Teleconference Via Google Meets
3:00 p.m.

1. Approval of the minutes of the September 17, 2020 meeting
2. Review and accept monthly reports from:
A) Division of Securities-(No changes from the previous months report)
B) Department of Financial Institutions
C) Deposit and Investment report update
3. Five Year Review of Rule 628-12
4. Other Business as needed
5. Schedule next meeting and adjourn

****Note:** All Council members will be attending by teleconference Via Google meets
at:

meet.google.com/efk-wwwc-szx

Or by phone:

(US) +1 470-466-0109 PIN: 930 974 078#

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**STATE MONEY MANAGEMENT COUNCIL-MINUTES
THURSDAY SEPTEMBER 17, 2020**

The regular meeting of the State Money Management Council was held via teleconference, at 3:00 p.m., Thursday September 17, 2020. In attendance via Google Meets were:

Doug DeFries, Chair
Wayne Cushing, Vice Chair
Corrie Forsling
Scott Burnett
Ann Pedroza, Staff
Kirk Slaugh, Deputy State Treasurer
Tom Bay, Department of Financial Institutions
Alison Garner, Asst. Attorney General

Members not in attendance:
Ted Elder

Visitors:

Jason Williams, Moreton Asset Management

Minutes of August 20, 2020

The minutes of the August 20, 2020 meeting were approved unanimously.

Monthly Reports and Quarterly Reports

Securities Division:

Ms. Black was not in attendance as there were no changes to the Certified Broker/Dealer or Certified Investment Adviser lists from the previous meeting. Ms. Black sent the lists for approval by the Council for the next quarter.

Financial Institutions' Report:

Mr. Bay reviewed the October 1, 2020 quarterly certification of public funds allotments for qualified depositories signed by the Commissioner of Financial Institutions. Mr. Bay noted briefly for the Council that the name change on Weber State Credit Union to Ascent Credit Union was reflected in this list. There were no other changes of note.

Mr. Bay reviewed the August 31, 2020 month end public funds held report with the Council and noted there is nothing of note in the usage of the uninsured allotments. Education First Credit Union continues to have high usage of their allotment and Mr. Bay will send out the quarterly reminder letter to them in October. Council discussed this report briefly.

Deposit and Investment Report Update:

Ms. Pedroza noted for the Council that there are 81 entities total that have not filed the June 2020 report. She noted that she has contacted the two counties and several of the cities on the list and reminded them to file. Council discussed the report briefly.

Acceptance of Reports:

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

Five Year Review of Rule 628-11

Mr. DeFries briefly outlined the rule for the Council noting that this rule provides the formula for the maximum allotments of uninsured public funds qualified depositories are assigned. Ms. Pedroza noted that the last changes made to the rule were in 2011. Mr. Bay noted that those changes dropped the ratio percentage down on the tier one ratios and that is has continued to work well. Council discussed this briefly and agreed that the rule should be continued. It was motioned and accepted unanimously that the rule be renewed for five years.

Other Business

No other business related to the Money Management Act and Rules of the Council.

Schedule Next Meeting

The Council then scheduled the next regular meeting for October 22, 2020 at 3 p.m. With no other business before the Council, they adjourned at 3:20 p.m.



STATE OF UTAH

Gary R. Herbert
Governor
Spencer J. Cox
Lieutenant Governor

DEPARTMENT OF FINANCIAL INSTITUTIONS

G. Edward Leary
Commissioner
Darryle P. Rude
Chief Examiner
R. Paul Allred
Deputy Commissioner

Money Management Council
315 N. State Capitol Building, Suite 180
Salt Lake City, Utah 84114

Dear Council Members:

Pursuant to Section 51-7-3(28) Utah Code Annotated and Money Management Council Rules R628-11 and R628-12, I, G. Edward Leary, Commissioner of Financial Institutions, do hereby certify the following depository institutions as "qualified depositories" and eligible to receive and hold public funds in excess of federal insurance limits in the following maximum amounts:

PUBLIC FUNDS ALLOTMENTS (Amended)

for the three-month period beginning October 1, 2020

(Dollars in Thousands)

	<u>Current</u>	<u>Previous</u>
<u>BANKS</u>		
Altabank.....	\$ 458,745	\$ 447,527
Bank of the West.....	45,541	46,454
Bank of Utah.....	290,724	281,964
Brighton Bank.....	41,535	41,558
Cache Valley Bank.....	255,968	247,032
Capital Community Bank.....	76,556	73,644
Central Bank.....	306,966	301,629
Continental Bank.....	39,153	38,379
D.L. Evans Bank.....	5,421	4,261
First Utah Bank.....	74,759	73,596
Glacier Bank.....	110,368	113,042
Grand Valley Bank.....	43,989	42,631
Green Dot Bank.....	351,576	328,049
Holladay Bank & Trust Company.....	14,766	14,931
Home Savings Bank.....	26,414	26,043
JPMorgan Chase Bank NA.....	3,256,605	3,285,291

PUBLIC FUNDS ALLOTMENTS (Amended)

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	<u>Current</u>	<u>Previous</u>
Keybank NA..... \$	761,382	\$ 747,836
NBH Bank.....	2,113	1,067
Prime Alliance Bank.....	83,456	82,796
Rock Canyon Bank.....	86,309	79,866
State Bank of Southern Utah.....	257,877	251,955
US Bank NA.....	482,789	420,459
Utah Independent Bank.....	22,410	21,012
Washington Federal, NA.....	106,304	82,233
Wells Fargo Bank NA.....	2,083,613	1,858,966
Zions Bancorporation, NA.....	9,393,327	9,348,713
 <u>INDUSTRIAL BANKS</u>		
WebBank.....	249,093	248,363
 <u>CREDIT UNIONS</u>		
Ascent (Weber State)..... \$	18,650	\$ 18,240
America First.....	1,805,712	1,774,316
Chartway.....	69,777	69,349
Cyprus.....	192,336	189,278
Desertview.....	7,245	7,209
Eastern Utah Community.....	25,554	24,659
Education First.....	3,734	3,667
Goldenwest.....	346,868	338,840
Grand County (DBA Desert Rivers CU).....	5,178	N/A
Granite.....	89,768	87,336
Jordan.....	26,851	25,971
Kings Peak.....	2,178	2,024
Mountain America.....	1,417,536	1,356,660
Nebo.....	18,715	18,482
San Juan.....	2,832	2,776
Utah Community.....	280,737	269,286
Utah First.....	85,794	82,932
Utah Heritage.....	13,238	12,962
Wasatch Peaks.....	47,090	45,816



 G. EDWARD LEARY

October 21st, 2020

Entity Name	Entity Record Type	D&I Report Name
Cache County Drainage District 5	Local and Special Service District	D&I June 2018
Alpine Conservation District	Conservation District	D&I June 2018
Timp/Nebo Conservation District	Conservation District	D&I June 2018
Pole Canyon Basic Local District	Local and Special Service District	D&I June 2018
Daggett Water District	Local and Special Service District	D&I June 2018
Millard County Drainage District 4	Local and Special Service District	D&I June 2018
Total-6		

Entity Name	Entity Record Type	D&I Report Name
Eden Park Service District	Local and Special Service District	D&I December 2018
Summit Special Service District	Local and Special Service District	D&I December 2018
Tooele County Recreation SSD	Local and Special Service District	D&I December 2018
Total-3		

Entity Name	Entity Record Type	D&I Report Name
Fremont River Conservation District	Conservation District	D&I June 2019
North Sanpete Ambulance Service	Interlocal	D&I June 2019
Vista at Entrada School	School District or Charter School	D&I June 2019
Hatch Cemetery Maintenance District	Local and Special Service District	D&I June 2019
Cannonville Town	Town	D&I June 2019
Tooele County Recreation SSD	Local and Special Service District	D&I June 2019
Hansel Valley Watershed District	Local and Special Service District	D&I June 2019
Total-7		

Entity Name	Entity Record Type	D&I Report Name
Eastland Special Service District	Local and Special Service District	D&I December 2019
Heber Valley Special Service District	Local and Special Service District	D&I December 2019
Weber County Conservation District	Conservation District	D&I December 2019
Wilson Arch Wtr & Sewer SS Dist	Local and Special Service District	D&I December 2019
Tooele County Recreation SSD	Local and Special Service District	D&I December 2019
Beaver Dam Village SS District	Local and Special Service District	D&I December 2019
Total-6		

Entity Name	Entity Record Type	D&I Report Name
Moroni City	City	D&I June 2020
Gunnison City	City	D&I June 2020
Salt Lake Conservation District	Conservation District	D&I June 2020
Dixie Conservation District	Conservation District	D&I June 2020
Kamas Valley Conservation District	Conservation District	D&I June 2020
Weber Human Services	Interlocal	D&I June 2020
Fox Hollow Golf Course	Interlocal	D&I June 2020
Millard Co Wtr Conserv District	Local and Special Service District	D&I June 2020
Avon Cemetery Maintenance District	Local and Special Service District	D&I June 2020
Rockville/Springdale Fire Protect Dist	Local and Special Service District	D&I June 2020
Cornish Cemetery District	Local and Special Service District	D&I June 2020
Millville-Nibley Cemetery District	Local and Special Service District	D&I June 2020
San Juan Spanish Valley SS District	Local and Special Service District	D&I June 2020

Box Elder Co Solid Wste (Grouse Creek)	Local and Special Service District	D&I June 2020
Fruitland Special Service District	Local and Special Service District	D&I June 2020
Benjamin Drainage District	Local and Special Service District	D&I June 2020
Lakeshore & Benjamin Drain District	Local and Special Service District	D&I June 2020
Portage Cemetery District	Local and Special Service District	D&I June 2020
Grouse Creek Special Service District	Local and Special Service District	D&I June 2020
Cache Water District	Local and Special Service District	D&I June 2020
Belmont Drainage District	Local and Special Service District	D&I June 2020
Central Box Elder Fire SS District	Local and Special Service District	D&I June 2020
Hyde Park Cemetery District	Local and Special Service District	D&I June 2020
Plain City Cemetery District	Local and Special Service District	D&I June 2020
North Emery Water Users SS District	Local and Special Service District	D&I June 2020
Elwood Drainage District	Local and Special Service District	D&I June 2020
Duchesne County SS District 3	Local and Special Service District	D&I June 2020
Axtell Community SS District	Local and Special Service District	D&I June 2020
Twin Oaks Local District	Local and Special Service District	D&I June 2020
Hinckley-Deseret Cemetery District	Local and Special Service District	D&I June 2020
Cedar Mtn Fire Protection District	Local and Special Service District	D&I June 2020
East Garland Cemetery District	Local and Special Service District	D&I June 2020
Daggett Mosquito Abate District	Local and Special Service District	D&I June 2020
Canyon Land Improvement District	Local and Special Service District	D&I June 2020
Amalga Town	Town	D&I June 2020
Vernon Town	Town	D&I June 2020
Tropic Town	Town	D&I June 2020
Stockton Town	Town	D&I June 2020
Kanosh Town	Town	D&I June 2020
Total-39		

All total-61

R628. Money Management Council, Administration.

R628-12. Certification of Qualified Depositories for Public Funds.

R628-12-1. Authority.

This rule is issued pursuant to Sections 51-7-3(21) and 51-7-18(2)(b).

R628-12-2. Scope.

This rule applies to all federally insured depository institutions with offices and branches in the state of Utah at which deposits are accepted or held.

R628-12-3. Purpose.

This rule establishes the requirements which must be met by a federally insured depository institution to become and remain a qualified depository eligible to receive and hold deposits of public funds. It also establishes the conditions under which eligibility may be terminated and the procedures to be followed in terminating a depository institution's status as a qualified depository.

R628-12-4. General Rule.

A Utah depository institution as defined in Subsection 7-1-103(36) or a out-of-state depository institution as defined in Subsection 7-1-103 (25), which may conduct business in this state under Section 7-1-702, whose deposits are insured by an agency of the federal government, may be certified as a qualified depository eligible to receive public funds on deposit if it meets all of the following criteria.

A. Before April 1 of each year, pay to the Department of Financial Institutions an annual certification fee as described in section 51-7-18.1.(8);

B. Within 30 days of the close of each calendar quarter, submit a report of condition in the form prescribed by the Commissioner of Financial Institutions. The Commissioner may require any additional reports as may be considered necessary to determine the character and condition of the institution's assets, deposits and other liabilities, and its capital and to ensure compliance with the Money Management Act, the rules of the Money Management Council, and any order issued pursuant to an action of the Council. All reports shall be verified by oath or affirmation of the president or a authorized vice president of the institution. Any officer who knowingly makes or causes to be made any false statement or report to the Commissioner or any false entry in the books or accounts of the institution is guilty of a

class A misdemeanor, as authorized in Section 51-7-18.1(3)(d).

C. Within 10 business days of the end of each month, file a report with the Commissioner of Financial Institutions of the amount of public funds held on the form prescribed by this rule. The Commissioner may require more frequent reporting if determined that it is necessary to protect public treasurers and to ensure compliance with the Money Management Act, the rules of the Money Management Council or any order issued pursuant to an action of the Council. All reports shall be verified by the oath or affirmation of the president or a authorized vice president of the institution. Any officer who knowingly makes or causes to be made any false statement or report to the Commissioner or any false entry in the books or accounts of the institution is guilty of a class A misdemeanor, as authorized by 51-7-18.(3)(d).

D. Have and maintain a positive amount of capital as defined in R628-11-4-B.

R628-12-5. Notification of Certification.

Not less than quarterly, the Money Management Council shall prepare or cause to be prepared a list of all qualified depositories and the maximum amount of public funds that each is eligible to hold under R628-11. This list shall be distributed to each public treasurer via US Postal Service or electronic means. Additions and deletions shall be made on the list for the next successive quarter.

R628-12-6. Examination of Qualified Depositories.

The Commissioner shall have the right to examine the books and records of any qualified depository if the Commissioner determines that examination is necessary to ascertain the character and condition of its assets, its deposits and other liabilities, and its capital and to ensure compliance with the Money Management Act, the rules of the Money Management Council, and any order issued pursuant to an action of the Council.

R628-12-7. Grounds for Termination of Status as a Qualified Depository.

Any of the following events constitutes grounds for termination of a depository institution's status as a qualified depository and immediate relinquishment of all public funds deposits:

- A. Termination of the institution's federal deposit insurance.
- B. Failure to pay the annual certification fee.
- C. Failure to file the required financial reports.

D. Failure to maintain a positive amount of capital as defined in R628-11-4-B.

E. Making any false statement or filing any false report with the Commissioner.

F. Accepting, receiving or renewing deposits of public funds in excess of the maximum amount of public funds allowed.

G. Failure to comply with a written order issued by the Commissioner pursuant to Section 51-7-18.1(7) within 15 days of receipt of the order.

H. Request by a depository institution to be removed from the list of qualified depositories.

R628-12-8. Procedures for Termination and Reinstatement of Status as a Qualified Depository.

A. If the Money Management Council determines that the grounds for termination of a depository institution's status as a qualified depository exist, upon the vote of at least three members of the Money Management Council, a depository institution may be terminated as a qualified depository. Termination will be effective upon service of notice to the institution of the Council's action. Notice of termination will state the grounds upon which the Council acted and the remedies required to cure the violation.

B. After the date of service of notice of termination as a qualified depository, the institution shall not accept, receive or renew any deposits of public funds until specifically authorized in writing by the Commissioner and all existing accounts shall be transferred to a qualified depository.

C. An institution may be reinstated as a qualified depository upon the written authorization of the Commissioner, if it has corrected the violation which constituted grounds for termination.

KEY: public investments, banking law, financial institutions

Date of Enactment or Last Substantive Amendment: 1990

Notice of Continuation: February 26, 2016

Authorizing, and Implemented or Interpreted Law: 51-7-3(21); 51-7-18(2)(b); 7-1-102, 103(36)