

DEBT MANAGEMENT COMMISSION  
WASHOE COUNTY, NEVADA  
Special and Quarterly Meeting

*Wednesday, March 8, 2000 - 4:00 p.m.*

*Present:*

**Dorothy Dermody, Washoe County School District, Commissioner, Vice Chairman**

**James Ainsworth, General Improvement District, Commissioner**

**Jim Galloway, Washoe County Commission, Commissioner**

**Richard Pugh Member at Large, Commissioner**

**Robert Seach, Member at Large, Commissioner**

**Amy Harvey, County Clerk**

**Paul Lipparelli, Deputy District Attorney, Legal Counsel**

*Absent:*

**David Aiazzi, City Councilman of Reno, Commissioner, Chairman**

**Tony Armstrong, Mayor of Sparks, Commissioner**

The Debt Management Commission (DMC) convened this special and quarterly session in the Commission Chambers of the Washoe County Administration Building, 1001 East Ninth Street, Reno, Nevada, in full conformity with the law, with *Vice Chairman Dermody* presiding. Upon the Clerk calling the roll, *Commissioner Armstrong* was noted as absent due to the City of Sparks Budget session scheduled at this time. The meeting then commenced in conducting the following business.

## **AGENDA**

On motion by *Commissioner Galloway*, seconded by *Commissioner Pugh*, which motion duly carried, *Vice Chairman Dermody* ordered that the agenda for today's meeting be approved as presented.

## **MINUTES**

On motion by *Commissioner Galloway*, seconded by *Commissioner Seach*, which motion duly carried, it was ordered that the minutes of the meeting of October 29, 2000, be approved.

## **00-01 DMC RESOLUTION**

The Board next considered the "2000 Sewer Bond DMC Resolution" for Washoe County.

Jennifer Stern, Swendseid & Stern, Bond Counsel, representing Washoe County. She advised that the proposal is for approval of \$4,000,000 of general obligation bonds additionally secured by pledged revenues. She advised that also present today is John Sherman--Director of Finance for the County, John Collins and Jeff Tessier-County Utility Division, Kathy Ong-Hobbs, Ong & Associates, Inc., Washoe County Financial Consultants/Advisors.

She stated that these bonds will be secured by utility revenues, and the County, in the adoption of the Bond Ordinance that will come before them will pledge to keep rates and charges together with other legally available revenues at such a level to be able to support debt service on these bonds as well as other outstanding bonds that are secured by the same pledged revenues.

She continued that the County intends to place these bonds with the State Revolving Fund that offers below market rate interest. She added that recently, those interest rates have been below 4%, which is an excellent interest rate, offered to bonds only for purposes that qualify for the wastewater treatment act that the Federal Government mandates.

Ms. Ong reviewed the financial information as to the requirements of the statutes being met as the debt limit with no impact on the tax rate. She reviewed the packet presented for consideration to the DMC members prior to this meeting, highlighting the financial information as follows: On page 4, Washoe County is limited in the amount of debt outstanding to 10% of the County's total assessed value, and with the current outstanding debt of the County, in addition to the proposed sewer bonds, the County is under the limit.

She explained that the current statutory limit is approximately \$848,000,000, and with the proposed bonds and the outstanding debt, the total outstanding and proposed debt obligation is \$267,000,000 which is beneath the current statutory debt limit. She stated that the bonds will be paid by revenues of the Utility funds, and on page 8, based on the revenues and the expenditures, the pledged revenues line, in the middle of that table, exceeds the debt service of the proposed debt. She noted that there are sufficient revenues for existing and proposed debt of the Utility funds, and there should be no impact on the tax rate.

She advised that finally, on page 9, should there be a debt tax rate that is implemented or assessed, the rate that would need to be assessed based on the highest and principal interest rate for these bonds would be 3.8 cents, and based on the statutory cap of 3.64 cents, the County has sufficient capacity should a tax rate be implemented. She added that on Section 5 are contemplated issues of other entities that may be forthcoming. She then responded to questions.

In response to a question by *Commissioner Pugh*, Jeff Tessier, Senior Accountant with the Department of Resources, advised that the hook-up fees that are anticipated for the year 2000 are conservatively stated; that so far this year, they have collected \$2,000,000,

and that they have projected out another \$1,500,000 for the remaining 6 months, which is a fairly conservative amount of money for the full fiscal year. He noted that there is no science to it because the hook-up fees are based on payments as they make the permits for the projects.

In response to ***Commissioner Galloway***, who asked if this assumes the continuation of services to people who are not now permitted, such as later phases of Double Diamond and Damonte Ranch, Mr. Tessier stated that they did a full projection of hook-up charges based on tentative maps that have been issued, and also the finals that are also to be issued against those tentatives, and it stood at about \$15,000,000 as a rough projection. He noted they anticipated this on a rough average and they did not get into a lot of sciences on which projects will be coming forth. He noted that actually \$700,000 was just collected in February in the Spanish Springs area.

John Collins, Utility Service Division Manager at Water Resources, advised that the uses of these funds will be for the following projects:

- The Waste Activated Sludge Transfer Project (the major project), \$2,000,000, will be utilized to construct a waste activated sludge transport pipeline from the South Truckee Meadows Treatment Plant to the Truckee Meadows Wastewater Treatment Plant as the Cities and the County have decided to consolidate their solids treating operation at one location.
- The Horizon Hills Project, \$500,000, will correct deficiencies in this area up in Lemmon Valley where they have an existing collection system which is in need of rehabilitation.
- The Spanish Springs West Side interceptor, \$1,500,000, to be utilized to construct a new sewer interceptor on the west side of the Valley, which will serve some of the people that Mr. Tessier just mentioned.

In response to ***Commissioner Dermody***, who asked if, in the event the Damonte Ranch is annexed into the City of Reno Sphere of Influence, would any of these figures which were presented today change. Mr. Collins stated that the treatment plant, where the major portion of the funds are being used in the South Truckee Meadows Treatment Plant, has the distinction of being a 208-service area. He explained that this section of the Clean Water Act requires every treatment plant to have a service area which has been adopted and been in place for almost 20 years. Because of that, whether the Damonte Ranch is annexed, the service still would come from this treatment plant.

Secondly, the County and the two cities have an agreement that was executed that was used to start design of both the treatment plant and this project. He added that under this, it has been agreed that the County will collect all fees in the South Truckee Meadows and use it for expansions at this plant, and these numbers would not, therefore, be changed.

Following discussion, on motion by *Commissioner Galloway*, seconded by *Commissioner Pugh*, which motion duly carried, it was ordered that the Bond Issue be approved and that the following Resolution be adopted and *Vice Chairman Dermody* authorized to execute on behalf of the Debt Management Commission:

**A RESOLUTION CONCERNING THE SUBMISSION TO THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION OF A PROPOSAL TO ISSUE GENERAL OBLIGATION SEWER BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES); CONCERNING ACTION TAKEN THEREON BY THE COMMISSION; AND APPROVING CERTAIN DETAILS IN CONNECTION THEREWITH.**

**WHEREAS**, pursuant to §350.001. through §350.006, Nevada Revised Statutes ("NRS"), Washoe County, Nevada (the "County"), notified the secretary of the Debt Management Commission of Washoe County (the "Secretary" and the "Commission," respectively) of the County's proposal to issue general obligations and submitted a statement of the County's proposal in sufficient number of copies for each member of the Commission; and

**WHEREAS**, the Board of County Commissioners of the County (the "Board") proposes (subject to the approval of the proposal to issue general obligations by the Commission) to issue the bonds described in the following proposal:

**GENERAL OBLIGATION SEWER BOND ADDITIONALLY SECURED BY PLEDGED REVENUES PROPOSAL:**

**Shall the Board of County Commissioners of Washoe County in the State of Nevada; be authorized to incur a general obligation indebtedness on behalf of the County by the issuance at one time, or from time to time, of the County's general obligation (limited tax) sewer bonds, in one series or more, in the aggregate principal amount of not exceeding \$4,000,000 for the purpose of financing, wholly or in part, the acquisition, construction, improvement and equipment of sewer projects, including, but not limited to, facilities pertaining to a county sanitary sewerage system for the collection, interception, transportation, treatment, purification and disposal of sewage, liquid wastes, solid wastes, night soil and industrial wastes, as provided in NRS 244A.0505, the bonds to mature serially commencing not later than five (5) years from the date or respective dates of the bonds and ending not later than thirty (30) years there-**

**from, to bear interest at a rate or rates not in excess of the statutory maximum rate in effect at the time bonds are sold, to be payable from general (ad valorem) taxes (except to the extent pledged revenues and other monies are available therefor), and to be issued and sold at par, or below or above par, and otherwise in such manner, Upon such terms and conditions, and with such other detail as the Board may determine, including at its option but not necessarily limited to provisions for the redemption of bonds prior to maturity without or with the payment of a premium?**

(the "Proposal"); and

WHEREAS, pursuant to NRS §350.005, the Secretary, with the approval the Chairman of the Commission, thereupon, within ten days from the receipt of the Proposal, gave notice of a meeting to be held not more than twenty days thereafter, and provided a copy of the Proposal to each member of the Commission with the notice of the meeting and mailed notice of the meeting to the chief financial officer of each municipality in Washoe County, Nevada which has complied with subsection 1 of NRS §350.0035 within the past year; and

**WHEREAS**, the Commission has heard anyone desiring to be heard and has taken other evidence relevant to its approving or disapproving the Proposal; and

**WHEREAS**, the Commission has considered all matters in the premises.

**NOW, THEREFORE, BE IT RESOLVED BY THE DEBT MANAGEMENT COMMISSION OF WASHOE COUNTY, NEVADA:**

Section 1. This resolution shall be known as the "2000 Sewer Bond DMC Approval Resolution."

Section 2. The provisions of NRS §350.0035 to §350.0051 have been met, and the Proposal for the issuance of general obligation (limited tax) sewer bonds additionally secured with pledged revenues in the aggregate principal amount of \$4,000,000 proposed by the County is approved.

Section 3. The Commission and the officers thereof hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution.

Section 4. All bylaws, orders, resolutions or parts thereof in conflict with this resolution are hereby repealed. This repealer shall not be construed to revive any bylaw, order, resolution or part thereof heretofore repealed. Section 5. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable,

the invalidity or unenforceability of the section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 6. This resolution shall become effective and be in force immediately upon its adoption.

ADOPTED this March 8, 2000.

**Member and Public Comments**

There was no response to the call for Member comments nor public comments.

4:40 p. m. - There being no further business before the Commission, *Vice Chairman Dermody* adjourned the meeting.

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DOROTHY DERMODY  
Vice Chairman  
Debt Management Commission

ATTEST:     AMY HARVEY, County Clerk

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DEBT MANAGEMENT COMMISSION  
WASHOE COUNTY, NEVADA  
Special Meeting

*Friday, May 5, 2000 - 4:00 p. m.*

**David Aiazzi, City Councilman of Reno, Commissioner, Chairman**  
**Dorothy Dermody, Washoe County School District, Commissioner, Vice Chairman**  
**James Ainsworth, General Improvement District, Commissioner**  
**Tony Armstrong, Mayor of Sparks, Commissioner**  
**Jim Galloway, Washoe County Commission, Commissioner**  
**Richard Push, Member at Large, Commissioner**  
**Robert Seach, Member at Large, Commissioner**

**Amy Harvey., County Clerk**  
**Paul Lipparelli, Deputy District Attorney, Legal Counsel**

The Debt Management Commission (DMC) convened this special session in the Commission Chambers of the Washoe County Administration Building, 1001 East Ninth Street, Reno, Nevada, in full conformity with the law, with *Chairman Aiazzi* presiding. Following the pledge of allegiance to the flag of our country, the Clerk called the roll, noting that all members were present. The meeting then commenced

**AGENDA**

On motion by *Commissioner Pugh*, seconded by *Commissioner Armstrong*, which motion duly carried, *Chairman Aiazzi* ordered that the agenda for today's meeting be approved as presented.

Noting that the public comment section is at the end of the agenda, the *Chairman* explained the task of the Commission to approve or deny these proposals as they relate to the tax rate cap of \$3.64. He stated that they cannot consider individual merits of a bond proposal or as it relates to the public need and that the proposal cannot be modified to reflect that.

*Commissioner Galloway* requested that people be allowed to make their public comment on the particular bond proposals at the time they are considered. *Chairman Aiazzi* said he agrees, but most of the comment cards he has received state that they want to be heard under the Public Comment section of the agenda.

He asked Legal Counsel Paul Lipparelli to address and clarify the merits of a proposal as it is his understanding that, because this will approach 90% of the cap rate, need is to be considered. *Chairman Aiazzi* stated that he agrees with this, but that to him need is different than merit. Legal Counsel Lipparelli stated that there are three options available to the Commission in considering a bond proposal: 1) approve the proposal, 2) reject the

proposal, or 3) continue the hearing for up to ten days for a decision to be made. He advised that the other option is for the proposing entity to withdraw the proposal. Concerning public need, Mr. Lipparelli stated that most often the Commission applies the criteria contained in the statute for approval or disapproval of the debt levy or special elective tax. In the event the proposal would result in the combined property tax rate exceeding the statutory limit by 90%, it would be permissible for the Commission to do the following as contained in the Statutes: *"The public need is to be served by the proceeds from the proposed debt or tax levy and a comparison of that public need to the other public needs that appear on the statements of current and contemplated general obligation debt and special elective taxes that may effect the combined property tax rate in any of the overlapping entities within the County."*

**Commissioner Galloway** then noted the possibility of Washoe County actually withdrawing the portion of their Bond Proposal that deals with the Courts today and resubmitting that portion later.

## **MINUTES**

On motion by **Commissioner Pugh**, seconded by **Commissioner Seach**, which motion duly carried, with Chairman Aiazzi and Commissioner Armstrong abstaining as they were absent, it was ordered that the minutes of the meeting of April 8, 2000, be approved.

### **00-02DMC    RESOLUTION - TAX OVERRIDE - CITY OF SPARKS POLICE SAFETY AND FIRE PROTECTION**

The Board next considered the "Police Safety Override Proposal" and the "Fire Protection Tax Override" from the City of Sparks proposing a special elective tax.

Terri Thomas, Finance Director, City of Sparks, reviewed the written presentation of the financial information of the City of Sparks which including:

- A. Introduction and executive summary.
- B. The proposed special elective tax; information required by Chapter 350 of the Nevada Revised Statutes including:
  - (a) The effect of the proposed special elective taxes upon the city and other municipalities to raise revenue for operating purposes,
  - (b) The anticipated need for incurrences of debt or review of special elective taxes by the city and other municipalities whose tax-levying powers overlap the city, and
  - (c) The selected sections of the comprehensive community resource plan prepared by DMG-Maximus and dated February 2000.

She advised that the Police Chief and Deputy Fire Chief will represent the City of Sparks today in answering specific questions about service levels. She noted that the City of Sparks has not had a successful tax override for any purpose since 1987 on a public safety question. She advised that additional growth needs additional service currently and that is why the 5.5 cents tax override is being requested on police and also on fire. She referred to the study which was commissioned by Sparks and completed by DMGMaximus which reviewed problems to be foreseen for the next 20 years.

She reviewed areas and instances where the cap rate may be exceeded. She delineated the City of Sparks outstanding tax-supported general obligation bonds through Fiscal Year 2009-10. She pointed out that for all entities, if no additional debt is authorized, by the normal course of amortization the debt service tax rates will fall. She emphasized the need for the additional tax override for public safety purposes.

**Commissioner Armstrong** asked for information concerning exceeding the statutory limit if both of these were approved. Ms. Thomas stated that this would occur only under the assumption that both the City Council of Sparks and Washoe County would levy at the maximum rate by 2001/2002. She added that the County's rate would actually cause the overlapping statutory rate to be exceeded. She noted that this is not borne out by what is happening today and what has been historically maintained.

**Commissioner Galloway** asked if the overlapping tax rate would reduce Washoe County's margin to levy any future property tax rate. He added that since the County has not raised the general fund tax rate for five or six years and it has remained constant, that is his concern. Ms. Thomas said that any impact that is approved for the City of Sparks, as an overlapping entity, would have the effect of reducing the amounts available to the other jurisdictions. **Commissioner Galloway** then noted that in not raising taxes, an entity might get punished by having the accumulated margin. Ms. Thomas said that the City of Sparks contributed 17 cents to the available cap during the 1990's, having done a major bond refunding, and the City's tax rate was then also lowered. **Commissioner Galloway** urged legislative action to remedy this. Ms. Thomas, as a Technical Advisory Committee Member to the Legislature, pledged her support of action that will take care of this.

**Commissioner Dermody** referred to comments concerning the Washoe County Schools advising that they support both issues by the City of Sparks for their tax levy as well as the County's Bond issue. She added that the District shares concerns regarding the limited cap rate, although they have assured that no school bond issue until 2004 will be needed, however, growth may necessitate a need for new schools prior to that time, and the District may need 4 to 5 cents of additional tax in that event. She noted that the School District does not have the authority to impose a tax override.

**Commissioner Pugh** requested clarification regarding the tax override. Ms. Thomas stated that there is a statutory cap of \$3.64 for local government use. The fact that the state has 15 cents of that rate is philosophically unfair to the local government. To her the word override means a higher-than-allowed rate and it is her opinion that elective taxes

should be outside of the statutory cap because they are voter approved. This special elective tax question is defined in Statute and typically called override.

Ms. Thomas advised that as a participator for years under SCR 40, SB253 Technical Advisory Committee, and the original Fiscal Equity Study in the 1990's, it is her understanding that this will affect all of us. She said that creative legislative solutions must take place to address this. **Commissioner Armstrong** added that he and Sparks City Manager Shawn Carey spent two days with the governor and others to get views on this. He noted that there is no inflation built into taxes and they are declining each year. He applauded the governor in taking measures and soliciting early input concerning this so that something may be occurring so this can be resolved.

**Commissioner Galloway** advised that the cap was put in as an offset when the State shifted from a high property tax rate to a sales tax in the 1980's. He noted that this provided some assurance to the voters that taxing and spending would not return to the same high property tax rate in addition to the sales tax. He explained that the expectation that the State would take some of the property tax reserved previously for local government did not exist. He said that property taxes do go up with inflation and also with growth, but sales taxes increase only slightly but do not follow the same rate as the growth.

Ms. Thomas expressed her agreement and augmented the discussion on property taxes insofar as there is a declining base problem that is facing older communities due to the depreciation factor. She noted that this depreciation factor is another issue that is being considered by the SB253 Technical Advisory Committee to determine if assessments are being made according to value or according to age. **Commissioner Galloway** pointed out that the depreciation is applied to the replacement cost of the structure, which increases, and this does not necessarily mean a lower tax bill in the next year. **Chairman Aiazzi** indicated that the concern with exceeding the cap rate will not be alleviated by going over the cap rate but rather the imposition of any entity's operating rate. Ms. Thomas said that she does not believe either one of the proposals today will be a problem, if approved by the voters. She added that within the next five years, this may be another story.

Following discussion, on motion by **Commissioner Armstrong** seconded by **Commissioner Ainsworth** which motion duly carried, it was ordered that the City of Sparks proposal to levy special elective taxes be approved to be put on the ballot, and that the following be adopted and **Chairman Aiazzi** authorized to execute on behalf of the Commission:

#### Resolution

A RESOLUTION CONCERNING THE SUBMISSION TO THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION OF PROPOSALS BY THE CITY OF SPARKS TO LEVY SPECIAL ELECTIVE TAXES; CONCERNING ACTION TAKEN THEREON BY THE COMMISSION; AND APPROVING CERTAIN DETAILS IN CONNECTION THEREWITH.

WHEREAS, pursuant to §§ 350.001 through 350.006, Nevada Revised Statutes ("NRS"), the City of Sparks, Nevada (the "City"), notified the secretary of the Debt Management Commission of Washoe County (the "Secretary" and the "Commission," respectively) of the City's proposals to levy special elective taxes and submitted a statement of the City's proposals in sufficient number of copies for each member of the Commission; and

WHEREAS, the City Council of the City (the "Council") proposes (subject to the approval of the proposals by the Commission and the registered voters of the City) to levy the special elective taxes described in the following proposals:

**POLICE SAFETY TAX OVERRIDE PROPOSAL:**

Shall the City Council of the City of Sparks be authorized to levy an additional property tax rate for the support of law enforcement in **the City, including but** not limited to, the operation, maintenance, hiring, training and equipping of police officers, supervisory officers and support staff, in the amount of 5 1/2 cents per \$100 assessed valuation for a period of up to 30 years? The cost for the owner of a new \$100,000 home is estimated to be up to \$19.25 per year.

(the "Police Tax Proposal"); and

**FIRE PROTECTION TAX OVERRIDE PROPOSAL:**

Shall the City Council of the City of Sparks be authorized to levy an additional property tax rate for the support of fire and rescue services in the City, including but not limited to, the operation, maintenance, hiring, training and equipping of firefighters, supervisory officers and support staff in the amount of 5 1/2 cents per \$100 assessed valuation for a period of up to 30 years? The cost for the owner of a new \$100,000 home is estimated to be up to \$19.25 per year.

(the "Fire Protection Tax Proposal;" collectively, the "Proposals"); and

**WHEREAS**, pursuant to NRS § 350.005, the Secretary, with the approval the Chairman of the Commission, thereupon, within ten days from the receipt of the Proposals, gave notice of a meeting to be held not more than twenty days thereafter, and provided a copy of the Proposals to each member of the Commission with the notice of the meeting and mailed notice of the meeting to the chief financial officer of each municipality in Washoe County, Nevada which has complied with subsection 1 of NRS 350.0035 within the past year; and

**WHEREAS**, the Commission has heard anyone desiring to be heard and has taken other evidence relevant to its approving or disapproving the Proposals; and

**WHEREAS**, the Commission has considered all matters in the premises.

**NOW, THEREFORE, BE IT RESOLVED BY THE DEBT MANAGEMENT COMMISSION OF WASHOE COUNTY, NEVADA:**

Section 1. This resolution shall be known as the "2000 City of Sparks DMC Approval Resolution."

Section 2. The provisions of NRS 350.0035 to 350.0051 have been met, and therefore the Proposals for the levy of special elective taxes proposed by the City are approved.

Section 3. The Commission and the officers thereof hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution.

Section 4. All bylaws, orders, resolutions or parts thereof in conflict with this resolution are hereby repealed. This repealer shall not be construed to revive any bylaw, order, resolution or part thereof heretofore repealed.

Section 5. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of the section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 6. This resolution shall become effective and be in force immediately upon its adoption.

In discussion, *Commissioner Galloway* asked that the local governments use the utmost restraint in general rate hikes that do not have to come before this Debt Management Commission. He alluded to the fact that Sparks is asking the public if they want a tax increase which is different from an 11-cent-tax-rate override by a local governmental body, and that is what he would urge restraint on. *Commissioner Armstrong* noted that over the years Sparks has used good judgment in their operating budget in terms of avoiding raising taxes which is sometimes a difficult task.

*Chairman Aiazzi* stated that he supports this based on the issues being dealt with at this time and nothing else. He pointed out that there are some issues coming up that could have an effect on this.

00-03DMC **RESOLUTION - BOND PROPOSAL - COURTS - WASHOE COUNTY**

John Sherman, Washoe County Finance Manager, requested that, because of certain legal considerations on the timing of hearing these issues with the Debt Management Commission, the proposal of the Court's bond issue be withdrawn from today's agenda with the anticipation that it be resubmitted. The proposals for the parks and library projects will however go forth.

Judge James Hardesty, Second Judicial District Court, Department 9, requested that the Bond Proposal for the Courts be withdrawn and resubmitted as there are important issues regarding architectural and cost formulations that need to be addressed before this Proposal can be solidified. District Attorney Richard Gammick was present and expressed his agreement to the withdrawal at this time.

On motion by *Commissioner Galloway*, seconded by *Commissioner Dermody*, which motion duly carried, it was ordered that the portion of the Washoe County bond proposal concerning the Courts issue be withdrawn from consideration today and, should Washoe County resubmit this proposal to the Commission, that it be rescheduled at 4:00 p.m. on June 9, 2000.

00-04DMC    **RESOLUTION - BOND PROPOSAL – LIBRARY AND PARK AND OPEN SPACE - WASHOE COUNTY**

Mr. Sherman stated that the County stands ready to discuss the issue of need, having done polling and community-based-planning for both the library issue and the parks and trails issues. He noted that this resulted in a well-defined public need issue in both of those bonds.

He then reviewed the financial packet provided to each of the members of the Commission. He noted that the County has a debt capacity of half a billion dollars and then reviewed other matters concerning the debt service. He noted his recognition that the \$3.64 tax rate cap is being approached and he knows that there is no escape from dealing with this very soon. In agreeing with Ms. Thomas in her belief that a community should have the opportunity to vote in elective taxes to address financial needs for certain projects, he pointed out that there should be some mechanism in state law to dampen those property tax increases at the local political body level as opposed to a general election and letting the population decide as a whole on the imposition of such taxes.

He delineated the different amounts by which individual entities can increase their taxes without voter approval, noting that Washoe County has maintained the combined overlapping rate at \$1.2495. He stressed to the Board that in completing the County's 2000/2001 budget, no tax increase was imposed. He said that this was accomplished even with an excess of 16 cents that could be imposed on the operating side and 6 cents additionally for overrides statutorily prescribed for certain specific uses. He then addressed this further reviewing significant issues.

He stressed the County's conservative anticipated growth increase of 2 percent in assessed valuation through the 30 years of this bond indebtedness. As a sense of the relative breakdown between the libraries, he noted that the average annual payment of an owner of a house worth \$100,000 would be \$2.15 over the 30 years. He then responded to Board questions.

Some discussion ensued concerning why the figures are based on a \$100,000 home when the median in Washoe County is \$150,000. Also discussed was the cap tax rate of \$3.64 and the effect it may have on the future of Washoe County. There was also a request for clarification on some points in the financial package.

*Chairman Aiazzi* then opened the public hearing and the following spoke in support of the Library Bond Proposal:

Norman Rosenberg, Incline Village resident  
Jeff Hobson, Supreme Entertainment  
Gene Sullivan, Nevada Land Conservancy  
Martha Gould, retired County Library Director  
Christina Martin, Sparks resident  
Mike Tracy, Reno resident  
Keith Lockhart, County Library Board of Trustees  
Linda Kaye Webber, Friends of Washoe County Library  
Corinne Dickman, Washoe County Library

The following spoke in support of the Parks and Open Space Bond Proposal:

Harry Parsons, Nevada Homes Consortium  
Steve Kretschmer, Red Dawgs Soccer Player  
Elliot Chappell, Red Dawgs Soccer Player  
Tanner Ruf, Red Dawgs Soccer Player  
Anthony Grello, Red Dawgs Soccer Player  
Patty Stoddard, Coach, Red Dawgs Soccer Team, Great Basin Soccer League

**Chairman Aiazzi** read into the record comments from David Bobzier in support of Parks and Open Space and from Thelma Matlin regarding ballfields and libraries. Also read into the record were letters from Tina Nappe in support of the Park and Library Bond, Kenneth A. Rohrs, in support of the South Valleys Regional Park and perhaps a South Valleys Library, and from Hank Vanderbeek, Principal of Mendive Middle School, in support of libraries.

In discussion, **Commissioner Galloway** noted that the County could have financed everything that it's asking the voters to approve without ever going to the people just by exercising their authority to raise the tax rate. He added that because of the desire to restrain from that unilateral action as a Board, he would ask the other entities to follow this policy.

John Swendseid, Swendseid & Stern, Washoe County Bond Counsel, advised that all references relating to the Court Bond Proposal will be deleted in the Resolution.

After discussion, on motion by **Commissioner Galloway**, seconded by **Commissioner Armstrong**, which motion duly carried, it was ordered that the proposals to issue library

bonds and park and open space bonds be approved and the following be adopted and **Chairman Aiazzi** authorized to execute on behalf of the Commission:

#### Resolution

A RESOLUTION CONCERNING THE SUBMISSION TO THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION OF PROPOSALS TO ISSUE GENERAL OBLIGATION BONDS; CONCERNING ACTION TAKEN THEREON BY THE COMMISSION; AND APPROVING CERTAIN DETAILS IN CONNECTION THEREWITH.

WHEREAS, pursuant to §§ 350.001 through 350.006, Nevada Revised Statutes ("NRS"), Washoe County, Nevada (the "County"), notified the secretary of the Debt Management Commission of Washoe County (the "Secretary" and the "Commission," respectively) of the County's proposals to issue general obligations and submitted a statement of the County's proposals in sufficient number of copies for each member of the Commission; and

**WHEREAS**, the Board of County Commissioners ("the Board") proposes, subject to the approval of the proposal to issue general obligations by the Commission, to seek voter approval pursuant to NRS 350.020(1) of the bonds (the "Bonds") described in the following proposals (which will be presented to the electors of Washoe County in one or more ballot questions):

#### **GENERAL OBLIGATION (LIMITED TAX) LIBRARY BOND PROPOSAL:**

**Shall the Board of County Commissioners of Washoe County, Nevada, be authorized to incur a general obligation indebtedness on behalf of the County by the issuance at one time, or from time to time, of the County's general obligation library bonds in one series or more, in an aggregate principal amount not to exceed \$10,000,000 to defray wholly or in part the cost of acquiring, constructing, reconstructing, improving and equipping library projects, including, without limitation, real property, structures, fixtures, furniture and equipment therefor and all appurtenances and incidentals necessary, useful or desirable thereto, such bonds to mature serially commencing not later than five (5) years from the date or respective dates of the bonds and ending not later than thirty (30) years therefrom, to be payable from general (ad valorem) taxes and to be issued and sold at, above, or below par at an effective interest rate (including any sale discount) not exceeding the statutory maximum rate, if any, as shall be determined at the time of the sale thereof, and otherwise to be issued in such manner, upon such terms and conditions, with such covenants and agreements, and with such detail as the Board may determine, including at its option but not necessarily limited to provisions for the redemption of bonds prior to maturity without or with the payment of a premium?**

(the "Library Bond Proposal"); and

**GENERAL OBLIGATION (LIMITED TAX) PARK AND OPEN SPACE BOND PROPOSAL:**

**Shall the Board of County Commissioners of Washoe County, Nevada, be authorized to incur a general obligation indebtedness on behalf of the County by the issuance at one time, or from time to time, of the County's general obligation park and open space bonds in one series or more, in an aggregate principal amount not to exceed \$28,300,000 to defray wholly or in part the cost of acquiring, constructing, reconstructing, improving and equipping park and open space projects, including, without limitation, real property, structures, fixtures, furniture and equipment therefor and all appurtenances and incidentals necessary, useful or desirable thereto, such bonds to mature serially commencing not later than five (5) years from the date or respective dates of the bonds and ending not later than thirty (30) years therefrom, to be payable from general (ad valorem) taxes and to be issued and sold at, above, or below par at an effective interest rate (including any sale discount) not exceeding the statutory maximum rate, if any, as shall be determined at the time of the sale thereof, and otherwise to be issued in such manner, upon such terms and conditions, with such covenants and agreements, and with such detail as the Board may determine, including at its option but not necessarily limited to provisions for the redemption of bonds prior to maturity without or with the payment of a premium?**

(the "Park Bond Proposal;" the Library Bond Proposal and the Park Bond Proposal are herein the "Proposals"); and

**WHEREAS**, pursuant to NRS §350.005, the Secretary, with the approval the Chairman of the Commission, thereupon, within ten days from the receipt of the Proposals, gave notice of a meeting to be held not more than twenty days thereafter, and provided a copy of the Proposals to each member of the Commission with the notice of the meeting and mailed notice of the meeting to the chief financial officer of each municipality in Washoe County, Nevada which has complied with subsection 1 of NRS 350.0035 within the past year; and

**WHEREAS**, the Commission has heard anyone desiring to be heard and has taken other evidence relevant to its approving or disapproving the Proposals; and

**WHEREAS**, the Commission has considered all matters in the premises.

**NOW, THEREFORE, BE IT RESOLVED BY THE DEBT MANAGEMENT COMMISSION OF WASHOE COUNTY, NEVADA:**

Section 1. This Resolution shall be known as the "April 2000 Washoe County General Obligation Bond DMC Approval Resolution."

Section 2. The provisions of NRS §§350.0035 to 350.0051 have been met, and the proposed incurrence of general obligation debt described in each of the Proposals is hereby approved.

Section 3. The Commission and the officers thereof hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution.

Section 4. All bylaws, orders, resolutions or parts thereof in conflict with this Resolution are hereby repealed. This repealer shall not be construed to revive any bylaw, order, Resolution or part thereof heretofore repealed.

Section 5. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of the section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 6. This Resolution shall become effective and be in force immediately upon its adoption.

*Commissioner Armstrong* requested that those present in the audience today help in promoting the issues that are to go before the voters by talking about how they feel about this and, in that way, promoting it.

### **MEMBER COMMENTS**

*Chairman Aiazzi* suggested that on a future agenda an item needs to be placed for discussion on exactly how we should deal with the \$3.64 cap to the tax rate. He continued by suggesting consideration of the 15 cents portion of the \$3.64 cap reserved for local governments and assumed by the State. He added that perhaps the Commission members can "brainstorm" and arrive at some solution. It was suggested that this be placed on the June 9, 2000, agenda.

### **PUBLIC COMMENT**

Cathy S. Brandhorst addressed the Commission with her thoughts on dire situations across the country.

*4:40 p.m.* - *There* being no further business before the Commission, *Chairman Aiazzi* adjourned the meeting.

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**DAVID AIAZZI, Chairman**  
**Debt Management Commission**

**ATTEST: AMY HARVEY, County Clerk**

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**DEBT MANAGEMENT COMMISSION  
WASHOE COUNTY, NEVADA**

**Special Meeting  
Friday, June 9, 2000**

**4:00 p.m.**

*Present:*

**David Aiazzi, City Councilman of Reno, Commissioner, Chairman**  
**Dorothy Dermody, Washoe County School District, Commissioner, Vice Chairman**  
**James Ainsworth, General Improvement District, Commissioner**  
**Tony Armstrong, Mayor of Sparks, Commissioner**  
**Jim Galloway, Washoe County Commission, Commissioner**  
**Robert Seach, Member at Large, Commissioner**  
**Richard Pugh, Member at Large, Commissioner (appeared by telephone)**

**Amy Harvey, County Clerk**  
**Paul Lipparelli, Deputy District Attorney, Legal Counsel**

The Debt Management Commission (DMC) met in special session in the Chambers of the Washoe County Administrative Complex, 1001 East Ninth Street, Reno, Nevada, in full conformity with the law, with Chairman Aiazzi presiding. The Clerk called the roll and the meeting commenced for the purpose of conducting the following business.

**AGENDA**

On motion by **COMMISSIONER DERMODY**, seconded by **COMMISSIONER SEACH**, which motion duly carried, **CHAIRMAN AIAZZA** ordered that the Agenda for today's meeting be approved.

**MINUTES**

On motion by **COMMISSIONER AINSWORTH**, seconded by **COMMISSIONER ARMSTRONG**, which motion duly carried, **CHAIRMAN AIAZZI** ordered that the minutes of the meeting of May 5, 2000, be approved with the recommended clarification requested by Commissioner Dermody.

**00-05DMC RECONSIDERATION – CITY OF SPARKS OVERRIDE  
PROPOSAL AND WASHOE COUNTY PARKS AND LIBRARY  
BONDS**

Chairman Aiazzi explained that he requested this item be placed on the agenda in the event the Commission chose to reconsider these items. He advised that he spoke with

Paul Lipparelli, Legal Counsel, regarding the DMC's authority to reconsider items and was advised that they cannot.

Paul Lipparelli, Legal Counsel, advised that the statutes, very clearly, set forth the mission of the Commission and the timeframes in which the DMC has to act on a proposal; and that if the DMC was permitted to reconsider earlier approvals it would destroy the statutory timeframes. He stated that based upon the statutes he advised that it would not be prudent to undertake reconsideration despite the fact that reconsideration is a parliamentary process that is found and used in other public bodies.

Commissioner Seach inquired if the statute prohibits, unequivocally, reconsideration of items. Mr. Lipparelli responded that it does not prohibit, nor, does it clearly authorize reconsideration, and although the DMC's role is very narrowly defined, he would advise against it.

Commissioner Armstrong inquired if this included the inability to amend previous actions by this body. Mr. Lipparelli responded that it would lie within the statutory process that the DMC is supposed to follow; that the DMC acts on proposals it receives and does not have authority to add conditions, except when they relate to the timeframes of the debt issuance; and that it would not be appropriate for the DMC to amend earlier actions, without the municipality that brought them to the Commission suggesting that, which would then give the Commission another proposal to act on.

Commissioner Armstrong stated that it makes sense that the DMC have the ability to reconsider or amend previous actions or prioritize the proposals in some way. Mr. Lipparelli advised that the DMC only has the authority to convene a hearing within the prescribed timeframe and vote yes or no or postpone the proposal for up to ten days to make a decision.

On motion by **COMMISSIONER ARMSTRONG**, seconded by **COMMISSIONER GALLOWAY**, which motion duly carried, **CHAIRMAN AIAZZI** ordered that reconsideration of the City of Sparks Override Proposal and Washoe County Parks and Library Bonds Proposal be denied. It was noted that based upon the vote items 8 & 9 are removed from the agenda.

Commissioner Seach inquired if the DMC, had in effect, just set a precedent for non-serial prioritizing by their vote. Mr. Lipparelli responded that legislation set up the DMC to act on proposals, which is what they have done, and there is nothing in the statute that keeps any municipality that shares the overlapping tax rate of the County from coming in every week for a month with a different proposal.

**00-06DMC    DISCUSSION – ROLE OF THE DEBT MANAGEMENT COMMISSION**

Chairman Aiuzzi stated that the proposals in the last two months show the weakness in what the DMC can and cannot do; that they have no control on the overall tax rates because local entities can impose their own tax rates if they want to; that they have no control over the timing of projects and they have to be acted upon within a certain time frame; that they have no control over a project whether it is too big or too small; and that they have no control over the cost of the project. He inquired if the Commissioners considered this a problem or if it was something they wanted to take to the Legislature and request changes be made.

Mr. Lipparelli advised that the DMC's role is not to try and package or unpackage the proposals so that they stand a better or worse chance of passing voter scrutiny; that the DMC's role is to apply the statutory criteria to the proposal that is before it and approve it or disapprove it; and that criteria includes the anticipated need for other incursions of debt or special elective taxes by municipalities within the overlapping tax area.

Following discussion by the Commission, regarding the DMC's authority on proposal approval, disapproval and possible changes to the legislation governing DMC, on motion by **COMMISSIONER ARMSTRONG**, seconded by **COMMISSIONER DERMODY**, which motion duly carried, **CHAIRMAN AIAZZI** ordered that a meeting be held in July with specificity on the agenda for review of statutory requirements of the DMC and the possibility of action regarding a bill draft resolution request for legislative consideration.

**00-07DMC    RESOLUTION – WASHOE COUNTY PROPOSAL TO ISSUE  
GENERAL OBLIGATION BONDS – REGIONAL JUSTICE  
CENTER (RJC)**

John Sherman, Washoe County Finance Director, explained the debt cap and tax rate for Washoe County and stated that there are two proposals for a Regional Justice Center, one is for \$86,000,000 which includes 1000 parking spaces and one is for \$75,000,000 without parking.

James Hardesty, Second Judicial District Court Judge, stated that this proposal for a Regional Justice Center (RJC) is endorsed by the District Attorney's Office, Public Defender's Office, Sheriff's Office, Reno Justice Court Judges, Victims Rights Advocates, and all other users of the Washoe District and Justice Courts, with the possible exception of the County Clerk at this point.

Judge Hardesty reviewed the RJC proposal and stated that meetings were held to determine the needs for all users through the year 2015 and future projected needs were determined as additional District Attorney Deputies, Public Defender Deputies, County Clerk needs, new Family Court Judges, District Court Judges, and future Justices of the Peace for the Reno Township. He advised that Dan Wiley gave an update to the Board of County Commissioners of the master plan that called for a series of moves, remodels, renovations, and leases of space for the next ten year period; and that the plan was pre-

sented based upon key objectives, which all of the participants in the justice system agreed should form the basis for basic goals for a master plan for the community. He further advised that those goals are to reunite the Family and General Jurisdiction District Courts, to achieve direct secure delivery of prisoners to all courtrooms, to reduce the safety concerns that exist within the court facilities, to achieve appropriate zonings, to eliminate departmental fragmentation, to create better internal adjacencies, to establish code compliance within the existing facilities, to develop clear public circulation and service, and to address serious HVAC mechanical and other needs that exist within the buildings.

Commissioner Armstrong inquired if the \$86,000,000 proposal included future growth. Dan Wiley, Court Consultant, responded that pursuant to the growth patterns that form the basis of the master plan, they are confident that this proposal is satisfactory through the year 2015, but beyond that it is a little iffy. He stated that one of the good things about the Pioneer Inn site is that Reno Municipal Court could be incorporated into the site and fit well within the typical court pattern that is necessary to serve all of the courts effectively.

Following inquiries by Commissioners Armstrong and Galloway, Judge Hardesty stated they do believe there will be operating savings due to the RJC being built, and they do agree that the Board of County Commissioners should look at utilizing any savings to contribute to the cost of the project.

Fidel Salcedo, Chief Judge, Reno Justice Court, stated the Judges from the Reno Justice Court want to make it clear that although they are happy with the Court Building at One South Sierra Street, they understand there are issues about the weight load of the filing system on the second floor; and that they support the RJC because it will bring all of the courts together in one building.

Richard Gammick, District Attorney, echoed the sentiments of Judge Hardesty in that the RJC needs to be done. He stated that the parking structure would serve the public as well as staff in the downtown area. He further stated that the District Attorney's Office is all out of alternatives for being in several different places at once; that the Judges have worked with them in order to accommodate the times and places that they need to be in one day; that they have utilized other alternatives to try and make the system more efficient; and that they have the District Attorney's Misdemeanor Unit in one of the old courtrooms and there is no more room for them to use.

Chairman Aiazzi read a letter from the County Clerk, Amy Harvey into the record, clarifying a misrepresentation at the Board of County Commissioners meeting on May 30, 2000, in which Judge Hardesty stated that the County Clerk supported this project, a copy of which was placed on file with the clerk.

Commissioner Pugh stated that he understands there are wants and needs in the community that seem devastating, but he doesn't believe the need is so great right now for a new

RJC. He stated that the Courthouse at One South Sierra Street was built to meet future needs and inquired why they now say it cannot be expanded. Dave Roundtree, Washoe County Public Works Director, responded that the court building at One South Sierra Street has functioned very well; that concerns about future expansion of the facility concerns the floor plate of that particular building as it does not serve court expansions very well, and this really is the issue; and that he does not believe the Courthouse has been under utilized and the recommended plan continues to utilize it in a very effective manner.

In response to Chairman Aiazzi's inquiry, Mr. Sherman stated that the price of \$13.2 million for the Pioneer Inn site does not include the bank building on the south end of the property; that they have been in negotiations with the property owner regarding an acceptable price; and that the property purchase will go before the Board of County Commissioners on June 20, 2000.

Commissioner Dermody stated that there is still room under the debt cap this is approved in addition to the two previously approved projects and that she supports all three.

On motion by **COMMISSIONER ARMSTRONG**, seconded by **COMMISSIONER AINSWORTH**, which motion duly carried, with **COMMISSIONER PUGH** voting "no," it was ordered that the following Resolution, Proposal No. 1, be adopted and **CHAIRMAN AIAZZI** be authorized to execute on behalf of the Commission.

**RESOLUTION**      **A RESOLUTION CONCERNING THE SUBMISSION TO THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION OF PROPOSALS TO ISSUE GENERAL OBLIGATION BONDS; CONCERNING ACTION TAKEN THEREON BY THE COMMISSION; AND APPROVING CERTAIN DETAILS IN CONNECTION THEREWITH.**

**WHEREAS**, pursuant to §§ 350.001 through 350.006, Nevada Revised Statutes ("NRS"), Washoe County, Nevada (the "County"), notified the secretary of the Debt Management Commission of Washoe County (the "Secretary" and the "Commission," respectively) of the County's proposals to issue general obligations and submitted a statement of the County's proposals in sufficient number of copies for each member of the Commission; and

**WHEREAS**, the Board of County Commissioners (the "Board") proposes, subject to the approval of the proposal to issue general obligations by the Commission, to seek voter approval pursuant to NRS 350.020(1) of the bonds (the "Bonds") described in one of the following proposals (which will be presented to the electors of Washoe County in one or more ballot questions):

**GENERAL OBLIGATION (LIMITED TAX) REGIONAL JUSTICE CENTER BOND PROPOSAL:**

Shall the Board of County Commissioners of Washoe County, Nevada, be authorized to incur a general obligation indebtedness on behalf of the County by the issuance at one time, or from time to time, of the County's general obligation regional justice center bonds in one series or more, in an aggregate principal amount not to exceed \$86,000,000 to defray wholly or in part the cost of acquiring, constructing, reconstructing, improving and equipping a regional justice center building project, including, without limitation, real property, structures, fixtures, furniture and equipment therefor and all appurtenances and incidentals necessary, useful or desirable thereto, such bonds to mature serially commencing not later than five (5) years from the date or respective dates of the bonds and ending not later than thirty (30) years therefrom, to be payable from general (ad valorem) taxes and to be issued and sold at, above, or below par at an effective interest rate (including any sale discount) not exceeding the statutory maximum rate, if any, otherwise to be issued in such manner, upon such terms and conditions, with such covenants and agreements, and with such detail as the Board may determine, including at its option but not necessarily limited to provisions for the redemption of bonds prior to maturity without or with the payment of a premium?

("Proposal No. 1");

**GENERAL OBLIGATION (LIMITED TAX) REGIONAL  
JUSTICE CENTER BOND PROPOSAL:**

Shall the Board of County Commissioners of Washoe County, Nevada, be authorized to incur a general obligation indebtedness on behalf of the County by the issuance at one time, or from time to time, of the County's general obligation regional justice center bonds in one series or more, in an aggregate principal amount not to exceed \$75,000,000 to defray wholly or in part the cost of acquiring, constructing, reconstructing, improving and equipping a regional justice center building project, including, without limitation, real property, structures, fixtures, furniture and equipment therefor and all appurtenances and incidentals necessary, useful or desirable thereto, such bonds to mature serially commencing not later than five (5) years from the date or respective dates of the bonds and ending not later than thirty (30) years therefrom, to be payable from general (ad valorem) taxes and to be issued and sold at, above, or below par at an effective interest rate (including any sale discount) not exceeding the statutory maximum rate, if any, otherwise to be issued in such manner, upon such terms and conditions, with such covenants and agreements, and with such detail as the Board may determine, including at its option but not necessarily limited to provisions for the redemption of bonds prior to maturity without or with the payment of a premium?

("Proposal No. 2"; collectively, Proposal No. 1 and Proposal No. 2 are the "Proposals").

**WHEREAS**, pursuant to NRS § 350.005, the Secretary, with the approval the Chairman of the Commission, thereupon, within ten days from the receipt of the Proposals, gave notice of a meeting to be held not more than twenty days thereafter, and provided a copy of the Proposals to each member of the Commission with the notice of the

meeting and mailed notice of the meeting to the chief financial officer of each municipality in Washoe County, Nevada which has complied with subsection 1 of NRS 350.0035 within the past year; and

**WHEREAS**, the Board seeks approval of the Commission of the incurrence of general obligation debt described in one (but not both) of the Proposals; and

**WHEREAS**, the Commission has hear anyone desiring to be heard and has taken other evidence relevant to its approving or disapproving the Proposals; and

**WHEREAS**, the Commission has considered all matters in the premises.

**NOW, THEREFORE, BE IT RESOLVED BY THE DEBT MANAGEMENT COMMISSION OF WASHOE COUNTY, NEVADA:**

Section 1. This Resolution shall be known as the “June 2000 Washoe County General Obligation Bond DMC Approval Resolution.”

Section 2. The provisions of NRS §§ 350.0035 to 350.0051 have been met, and the proposed incurrence of general obligation debt described in Proposal No. 1 is hereby approved.

Section 3. The Commission and the officers thereof hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution.

Section 4. All bylaws, orders, resolutions or parts thereof in conflict with this Resolution are hereby repealed. This repealer shall not be construed to revive any bylaw, order, resolution or part thereof heretofore repealed.

Section 5. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of the section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 6. This Resolution shall become effective and be in force immediately upon its adoption.

#### **PUBLIC COMMENT**

There was no response to the call for public comment.

**6:00 p.m.**

The meeting was adjourned.

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**DAVID AIAZZI, Chairman**  
**Debt Management Commission**

**ATTEST: AMY HARVEY, County Clerk**

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**DEBT MANAGEMENT COMMISSION  
WASHOE COUNTY, NEVADA**

**Annual Meeting  
Friday, August 11, 2000**

**10:00 a.m.**

*Present:*

**David Aiazzi, City Councilman of Reno, Commissioner, Chairman  
Tony Armstrong, Mayor of Sparks, Commissioner  
Jim Galloway, Washoe County Commissioner, Commissioner  
Richard Pugh, Member at Large, Commissioner**

**Amy Harvey, County Clerk  
Paul Lipparelli, Deputy District Attorney, Legal Counsel**

*Absent:*

**Dorothy Dermody, Washoe County School District, Commissioner, Vice Chairman  
James Ainsworth, General Improvement District, Commissioner  
Robert Seach, Member at Large, Commissioner**

The Debt Management Commission (DMC) met in the Chambers of the Washoe County Administrative Complex, 1001 East Ninth Street, Reno, Nevada, in full conformity with the law, with Chairman Aiazzi presiding. The Clerk called the roll and the meeting commenced for the purpose of conducting the following business.

**AGENDA**

On motion by **COMMISSIONER PUGH**, seconded by **COMMISSIONER ARMSTRONG**, which motion duly carried, **CHAIRMAN AIAZZI** ordered that the agenda for today's meeting be approved.

**MINUTES**

On motion by **COMMISSIONER ARMSTRONG**, seconded by **COMMISSIONER GALLOWAY**, which motion duly carried, **CHAIRMAN AIAZZI** ordered that the minutes of the meeting of June 9, 2000, be approved.

**00-08D – INDEBTEDNESS REPORTS – JUNE, 2000**

Commissioner Galloway noted that no report was received from the Palomino Valley General Improvement District. County Clerk Amy Harvey advised that PVGID was

contacted on August 1, 2000 and they stated that they would submit their report the next day, but it has still not been received.

Chairman Aiazzi asked if there are any legal ramifications. Paul Lipparelli, Deputy District Attorney, stated that if the District proposed a general obligation debt and did not have a plan, that could be a basis for denying their proposal.

Commissioner Pugh stated that he has served on the Board for 11 years and that PVGID has never submitted their reports on time.

Following discussion, on motion by **COMMISSIONER GALLOWAY**, seconded by **COMMISSIONER PUGH**, which motion duly carried, **CHAIRMAN AIAZZI** ordered that receipt of the annual reports of current or contemplated general obligation debt submitted to the Commission from all political entities **except** the Palomino Valley General Improvement District be acknowledged as submitted:

Airport Authority  
Gerlach General Improvement District  
Grand View Terrace Water  
Incline Village General Improvement District  
North Lake Tahoe Fire Protection District  
Regional Transportation Commission  
Reno, City of  
Reno Redevelopment Agency  
Reno-Sparks Convention & Visitors Authority  
Sparks, City of  
Sparks Redevelopment Agency  
South Truckee Meadows General Improvement District  
Sun Valley General Improvement District  
Truckee Meadows Fire Protection District  
Verdi Television District  
Washoe County  
Washoe County School District

**00-09D – DEBT MANAGEMENT PLANS & CAPITAL  
IMPROVEMENT PROJECTS**

In response to Chairman Aiazzi, legal counsel Paul Lipparelli stated that the entities are supposed to follow their plans, but it is important to understand that the plans can be amended as the need arises.

On motion by **COMMISSIONER GALLOWAY**, seconded by **COMMISSIONER PUGH**, which motion duly carried, **CHAIRMAN AIAZZI** ordered that receipt of the Debt Management Plans and Capital Improvement Projects submitted by the following entities be acknowledged:

Reno-Sparks Convention & Visitor's Authority  
Incline Village General Improvement District  
City of Reno  
Washoe County School District  
City of Sparks  
Sun Valley General Improvement District  
Washoe County

**00-10D – QUARTERLY MEETING DATES – FY 2000/2001**

On motion by *COMMISSIONER GALLOWAY*, seconded by *COMMISSIONER ARM-STRONG*, which motion duly carried, *CHAIRMAN AIAZZI* ordered that the following dates be established as the fiscal year 2000/2001 quarterly meeting dates:

October 20, 2000  
January 19, 2001  
April 20, 2001  
July 20, 2001

**00-11D – DISCUSSION ON LEGISLATIVE ISSUES**

Chairman Aiazzi stated that one of his major concerns is that every entity can bring forth bond issues at separate times meaning that the rules allowing this Board to weigh the different bond issues really do not apply and this Board really has no authority to oversee the debt. He stated that he would like to suggest that the Board be able to require that all the bond issues have to come before the Board at the same meeting so that the Board can actually rank them according to need, especially now that it is over the 90 percent. He further stated that, at the very least, all the bonds that are going to go to vote should come before the DMC at the same time; and that unless they can do that, it is his opinion that there is no need for this Board to exist.

Commissioner Armstrong concurred and stated that if this Board has no authority, there is not much need for it. He said that his question is – Should this body have the ability to have one or two bill drafts at the legislature? – and advised that he also brought that idea up at the Regional Planning Governing Board meeting. He stated that this body represents almost a half million people in terms of all the bond issues.

Commissioner Galloway suggested directing staff to convey that to the legislature and to also investigate whether there are other actions the Board could take to allow what the Chairman suggested, that all ballot issues related to indebtedness come to this body at the same meeting for ranking and prioritization.

Commissioner Armstrong stated that the Debt Management Commission needs to be in a position where they can rank the proposed indebtedness or to somehow be more involved in the process. A discussion ensued concerning rankings and what the Board's authority might involve.

Legal Counsel Lipparelli advised that originally the General Obligation Bond Commission's job was to decide how to divide up the total debt limit available to all jurisdictions within the County; that the current Debt Management Commission also has another duty as well, which is to act as a safeguard against any one of the entities getting in over its head with regard to debt; and that that is the reason for the Debt Management Plans, etc., because of some of the rural counties getting into trouble. He agreed with the Board members that, with regard to the first duty, it would be difficult to decide how to prioritize debt when all the debt proposals are not known; and that perhaps some legislative fine-tuning could address those issues. Mr. Lipparelli also explained that the second duty he discussed is very important to bond rating agencies, bond insurance companies, etc., to know that there are State law safeguards in place.

Mr. Lipparelli also observed that the idea of prioritizing and having all the bond issues come before the Board at one meeting might have an impact on entities being able to undertake their projects; that forcing all the projects into the same season, also forces the entities to compete against each other for money in the market, engineering and construction services, etc.; and that those implications would need to be researched and considered.

Commissioner Galloway stated that the Chairman was suggesting that the bond issues that were going to go on ballots should come before this Board at the same time and that those are already constrained to election years anyway. He suggested that staff bring forth some options concerning that for the Board to consider.

Chairman Aiazzi stated that the bonds requiring voter approval would be the first step; and that it is conceivable that a very important public safety issue could be approved and then the same entity could come in a month later with something frivolous and, if it is within the cap, the Board has no choice but to approve it.

Commissioner Armstrong requested that staff try to get a bill draft request from the County or wherever possible for the Debt Management Commission to use to address this. He also suggested that there are times when the Board needs professional assistance, such as unbiased CPA services, to help them determine if an entity might be getting in over their heads. John Sherman, Washoe County Finance Director, stated that the DMC is authorized to ask for technical assistance from the County; that it is possible that the County could appear before the Board as both a requestor of approval and being the provider of technical assistance; and that if outside technical assistance was desired, some kind of budget capacity would also have to be created.

**COMMISSIONER GALLOWAY** moved that staff be directed to bring back information and options for the Board's consideration at the next meeting concerning grouping together all of the bond issues requiring voter approval at one meeting and methods for ranking bond issues and how that could be accomplished. **CHAIRMAN AIAZZI** stated that he would also like to have information on some way to include all the bond issues, not just the ones requiring voter approval, by possibly setting 2 or 3 dates per year for

debt considerations. **COMMISSIONER GALLOWAY** stated that he would include that in the motion. **COMMISSIONER ARMSTRONG** seconded the motion. **CHAIRMAN AIAZZI** called for the vote; the motion carried unanimously; and it was so ordered.

Mr. Sherman stated that he would work together with the Reno and Sparks Finance Directors on this.

**CHAIRMAN AIAZZI** reminded **COMMISSIONER GALLOWAY** to find out if the DMC can get a BDR from the County or if they will have to work on some other way to try do the legislative changes.

### **PUBLIC COMMENTS**

There was no response to the call for public comments.

**10:55 a.m.**

The meeting was adjourned.

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**DAVID AIAZZI, Chairman**  
**Debt Management Commission**

**ATTEST: AMY HARVEY, County Clerk**

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**DEBT MANAGEMENT COMMISSION  
WASHOE COUNTY, NEVADA**

**Quarterly and Special Meeting  
Friday, October 20, 2000**

**4:00 p.m.**

*Present:*

**David Aiazzi, City Councilman of Reno, Commissioner, Chairman**  
**Dorothy Dermody, Washoe County School District, Commissioner, Vice Chairman**  
**James Ainsworth, General Improvement District, Commissioner**  
**Tony Armstrong, Mayor of Sparks, Commissioner**  
**Jim Galloway, Washoe County Commission, Commissioner**  
**Richard Pugh, Member at Large, Commissioner**

**Amy Harvey, County Clerk**  
**Paul Lipparelli, Deputy District Attorney, Legal Counsel (arr. @ 4:25 p.m.)**

*Absent:*

**Robert Seach, Member at Large, Commissioner**

The Debt Management Commission (DMC) met in special session in the Chambers of the Washoe County Administrative Complex, 1001 East Ninth Street, Reno, Nevada, in full conformity with the law, with Chairman Aiazzi presiding. The Clerk called the roll, and the meeting commenced for the purpose of conducting the following business.

\* \* \* \* \*

Legal Counsel was not yet present, and Chairman Aiazzi revised the agenda order.

**00-12DMC LEGISLATIVE ISSUES**

John Sherman, Finance Director, provided documentation setting forth Legislative issues the Board previously requested staff to analyze and possible solutions to those issues. The document also listed issues the SB253 Committee will be addressing. Issues set forth included (1) difficulties in assessing public need associated with multiple proposals, (2) difficulties associated with criteria and methodology to be used in making a public need determination for multiple proposals, and (3) should the DMC have authority to submit a bill draft request (BDR). Mr. Sherman reviewed these matters in detail and responded to questions of the Board. He advised it might be difficult for the DMC to obtain BDR capacity as the Legislature is trying to limit the number of BDR's. He then discussed possible options.

Discussion was held concerning establishing rules and criteria, State law requirements, DMC authority, requirements for submission of proposals, etc. Mr. Sherman advised

that any rules the Board may want to adopt outside of those set forth in State law would require enabling legislation.

\* \* \* \* \*

Legal Counsel Lipparelli arrived at the meeting.

Commissioner Ainsworth noted that NRS 350 requires all entities to provide the DMC with a Capital Improvement Plan (CIP) for the ensuing three fiscal years. He said this would provide the opportunity to look to the future and would assist the DMC in making sure proposals comply with tax rate restrictions.

Upon inquiry of Chairman Aiazzi, Jennifer Stern, Swendseid and Stern, advised the law requires that the DMC shall not approve a proposal if it is not on the CIP list. She said the Clerk's Office notifies all chief financial officers of every proposal submitted to the DMC and they are able to determine whether the proposal would require a tax rate that would put the overlapping tax rate into 90% of the \$3.64, which is the criteria for approving or disapproving a proposal by the DMC. She advised that, additionally, the law allows the DMC to condition proposals regarding the scheduling of the retirement of bonds so that some bonds are affecting the tax rate and some are not. Ms. Stern then reviewed procedures relative to the issuing of bonds by the entities.

Discussion was held about how to handle situations where several requests come in at the same time that would exceed the cap and affect what other entities can do. Commissioner Galloway suggested this might be handled by interlocal agreements where the various entities would indicate how they prioritize a proposal in the event another entity submits a proposal. He said the Board could direct staff to draft a model agreement and, once an entity has signed onto that agreement, the DMC would hear their proposal. He noted the only exception would be if it could clearly be shown that nothing in the request puts anyone else within the 10% requirement. Mr. Sherman commented that if an entity submits a proposal that would cause the \$3.64 statutory cap to be exceeded, the law requires the entity to negotiate with the overlapping jurisdictions to bring the proposal into compliance before it comes to the DMC. Further discussion was held concerning CIP requirements and long-range planning issues. Ms. Stern reviewed requirements set forth under NRS 350.005, which provides that the debt management policy of the CIP can be amended.

Chairman Aiazzi commented that the frustration being felt by the Commissioners is that the DMC does not have much power. He asked if Bond Counsel thought any change was necessary. Ms. Stern said that any change to the law would need to go to the Legislature; and that she sees a necessity for the chief financial officers to communicate with each other and their boards, and apprise the governing bodies of what is going on throughout the region. She advised that a policy could be established that if the public need was not compelling and the proposal was within the 10% restriction, it could be denied without prejudice and resubmitted at a later time. Following further discussion, Commissioner Galloway noted that the DMC appears to have more power than was realized. Chairman Aiazzi advised that he was satisfied that the DMC has more power than he thought.

Mr. Sherman commented that his understanding of today's discussion is that the DMC would rather deal with existing laws and the local jurisdictions working together rather than trying to take these issues to the Legislature. Chairman Aiazzi agreed, and Mr. Sherman said those comments would be transmitted to the SB253 Committee.

Lisa Sadow, Financial Director, City of Reno and Terry Thomas, Financial Director, City of Sparks, were also present to provide information.

### **AGENDA**

On motion by *COMMISSIONER GALLOWAY*, seconded by *COMMISSIONER ARMSTRONG*, which motion duly carried, *CHAIRMAN AIAZZI* ordered that the Agenda for today's meeting be approved.

### **MINUTES**

On motion by *COMMISSIONER ARMSTRONG*, seconded by *COMMISSIONER GALLOWAY*, which motion duly carried, *CHAIRMAN AIAZZI* ordered that the minutes of the meeting of August 11, 2000, be approved.

### **00-13DMC RESOLUTION - GENERAL OBLIGATION BONDS – WASHOE COUNTY PROPOSAL – SEWER BONDS**

Jess Tessier, Manager, Department of Water Resources, reviewed the Washoe County proposal to issue general obligation sewer bonds in the amount of \$21-million, additionally secured by pledged revenues of the County's Water and Sewer Utility Fund. He said the project is for the expansion of the South Truckee Meadows Water Reclamation Facility. He advised that, as requested by Commissioner Galloway at the last DMC meeting, they conducted a forecast of all hook-up fees for the County going out ten years, and this information is incorporated in the analysis of this project. He said if the water and sewer fund could not finance the debt, the ad valorem rate would be raised by 1.9 cents per \$100 of assessed valuation or about \$7 per \$100,000 home. The County made sure \$5-million of unencumbered hook-up fees within the fund are available, which is carefully guarded so the general fund would not be at risk.

Commissioner Ainsworth questioned Washoe County's ability to revise their CIP when this only came forth four months ago. Mr. Sherman advised that the project has been on the CIP for several years but during the last CIP cycle cost data relative to this project was updated, and the dollar figure needed to be adjusted. Upon inquiry of Commissioner Galloway, Legal Counsel Lipparelli advised that since the statute requiring Capital Improvement Plans was put in place, jurisdictions have been amending their CIPs periodically, and the Legislature has acquiesced to that practice. He advised that authority for amending the CIP is also given under other NRS chapters.

On motion by **COMMISSIONER PUGH**, seconded by **COMMISSIONER GALLOWAY**, which motion duly carried, **CHAIRMAN AIAZZA** ordered that the proposal by Washoe County to incur general obligation (limited tax) indebtedness by the issuance of sewer bonds in an amount not to exceed \$21,000,000.00 be approved. It was further ordered that the following Resolution be adopted and Chairman Aiazzi be authorized to execute:

**RESOLUTION - A RESOLUTION CONCERNING THE SUBMISSION TO THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION OF A PROPOSAL TO ISSUE GENERAL OBLIGATION SEWER BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES); CONCERNING ACTION TAKEN THEREON BY THE COMMISSION; AND APPROVING CERTAIN DETAILS IN CONNECTION THEREWITH.**

**WHEREAS**, pursuant to §§ 350.001 through 350.006, Nevada Revised Statutes ("NRS"), Washoe County, Nevada (the "County"), notified the secretary of the Debt Management Commission of Washoe County (the "Secretary" and the "Commission," respectively) of the County's proposal to issue general obligations and submitted a statement of the County's proposal in sufficient number of copies for each member of the Commission; and

**WHEREAS**, the Board of County Commissioners of the County (the "Board") proposes (subject to the approval of the proposal to issue general obligations by the Commission) to issue the bonds described in the following proposal:

**GENERAL OBLIGATION SEWER BOND ADDITIONALLY SECURED BY PLEDGED REVENUES PROPOSAL:**

**Shall the Board of County Commissioners of Washoe County in the State of Nevada, be authorized to incur a general obligation indebtedness on behalf of the County by the issuance at one time, or from time to time, of the County's general obligation (limited tax) sewer bonds, in one series or more, in the aggregate principal amount of not exceeding \$21,000,000 for the purpose of financing, wholly or in part, the acquisition, construction, improvement and equipment of sewer projects, including, but not limited to, facilities pertaining to a county sanitary sewerage system for the collection, interception, transportation, treatment, purification and disposal of sewage, liquid wastes, solid wastes, night soil and industrial wastes, as provided in NRS 244A.0505, the bonds to mature serially commencing not later than five (5) years from the date or respective dates of the bonds and ending not later than thirty (30) years therefrom, to bear interest at a rate or rates not in excess of the statutory maximum rate in effect at the time bonds are sold, to be payable from general (ad valorem) taxes (except to the extent pledged revenues and other moneys are available therefore) and to be issued and sold at par, or below or above par,**

**and otherwise in such manner, upon such terms and conditions, and with such other detail as the Board may determine, including at its option but not necessarily limited to provisions for the redemption of bonds prior to maturity without or with the payment of a premium?**

(the "Proposal"); and

**WHEREAS**, pursuant to NRS § 350.005, the Secretary, with the approval of the Chairman of the Commission, thereupon, within ten days from the receipt of the Proposal, gave notice of a meeting to be held not more than twenty days thereafter, and provided a copy of the Proposal to each member of the Commission with the notice of the meeting and mailed notice of the meeting to the chief financial officer of each municipality in Washoe County, Nevada which has complied with subsection 1 of NRS 350.0035 within the past year; and

**WHEREAS**, the Commission has heard anyone desiring to be heard and has taken other evidence relevant to its approving or disapproving the Proposal; and

**WHEREAS**, the Commission has considered all matters in the premises.

**NOW, THEREFORE, BE IT RESOLVED BY THE DEBT MANAGEMENT COMMISSION OF WASHOE COUNTY, NEVADA:**

Section 1. This resolution shall be known as the "2000 Sewer Bond DMC Approval Resolution."

Section 2. The provisions of NRS §§ 350.0035 to 350.0051 have been met, and the Proposal for the issuance of general obligation (limited tax) sewer bonds additionally secured with pledged revenues in the aggregate principal amount of \$21,000,000 proposed by the County is approved.

Section 3. The Commission and the officers thereof hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution.

Section 4. All bylaws, orders, resolutions or parts thereof in conflict with this resolution are hereby repealed. This repealer shall not be construed to revive any bylaw, order, resolution or part thereof heretofore repealed.

Section 5. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of the section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 6. This resolution shall become effective and be in force immediately upon its adoption.

\* \* \* \* \*

Commissioner Pugh left the meeting.

**PUBLIC COMMENTS**

Kathy Brandhorst, area citizen, addressed the Board about tax issues.

\* \* \* \* \*

Commissioner Ainsworth left the meeting.

**MEMBER COMMENTS**

Commissioner Aiazzi requested that a 3-minute time limit be noted on the agenda under Public Comments, which is the policy followed by Reno, Sparks and Washoe County. Commissioner Armstrong suggested that Public Comments be placed at the beginning and the end of each agenda. Following discussion, Chairman Aiazzi requested this be done on future agendas.

**5:20 p.m.**

The meeting was adjourned.

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**DAVID AIAZZI, Chairman**  
**Debt Management Commission**

**ATTEST: AMY HARVEY, County Clerk**

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