

**DEBT MANAGEMENT COMMISSION,
WASHOE COUNTY, NEVADA**

FRIDAY

3:00 P.M.

AUGUST 14, 2009

PRESENT:

John Breternitz, Washoe County Commission, Commissioner
Geno Martini, Sparks City Mayor, Commissioner
Ted Fuller, GID Representative, Incline Village, Commissioner
Michelle Salazar, Commissioner
James Hunting, Commissioner

Amy Harvey, County Clerk
Paul Lipparelli, Assistant District Attorney

PARTICIPATED BY PHONE:

Nancy Hollinger, Washoe County School District, Vice Chairperson*

ABSENT:

Dan Gustin, Reno City Council, Chairman

The Washoe County Debt Management Commission met at 3:02 p.m. in the Washoe County Commissioner Chambers at the Administration Complex, 1001 East Ninth Street, Reno, Nevada, in full conformity with the law. Following the Pledge of Allegiance to the flag of our Country, the Clerk called the roll and the Board conducted the following business:

***3:00 p.m.** Nancy Hollinger, Washoe County School District, Vice Chairperson, joined the meeting via telephone.

09-32DMC **AGENDA ITEM 4**

Agenda Subject: "Appoint acting Chair."

Vice Chairperson Hollinger instructed Commissioner Martini to preside over the meeting.

09-33DMC **AGENDA ITEM 5**

Agenda Subject: "Approval of Agenda."

There was no response to the call for public comment.

On motion by Commissioner Hunting, seconded by Commissioner Fuller, which motion duly carried with Chairman Gustin absent, it was ordered that Agenda Item 5 be approved.

09-34DMC **AGENDA ITEM 6**

Agenda Subject: “Public Comments.”

There was no response to the call for public comment.

09-35DMC **AGENDA ITEM 7**

Agenda Subject: “Approval of minutes of the May 15, 2009 meeting.”

There was no response to the call for public comment.

On motion by Commissioner Breternitz, seconded by Commissioner Fuller, which motion duly carried with Chairman Gustin absent, it was ordered that Agenda Item 7 be approved.

09-36DMC **AGENDA ITEM 8**

Agenda Subject: “Establish priorities among essential and nonessential facilities and services to serve as the basis for comparison of the public need for certain proposed debt and special elective taxes to other public needs that appear on certain filed statements of current and contemplated debt. NRS 350.0155(2).”

Paul Lipparelli, Legal Counsel, explained that State Legislature established a range of impact of the Tax Cap when jurisdictions had an overlapping taxing authority, as did Washoe County. He said when those layers reached a certain threshold the Debt Management Commission (DMC) was permitted to review the priorities of the entities with competing debt proposals. He commented DMC did not inquire into those matters below that threshold, but when above the threshold they were mandated to establish the priorities and inquire further into the proposals. Mr. Lipparelli remarked this was required by NRS 350.0155(2), which stated that the DMC had to establish priorities among essential and non-essential facilities and services for the purpose to evaluate the public need served by the proceeds of the proposed debt issuance. He stated previously the DMC had established priorities as being facilities related to public safety, education and health, which were considered to be essential facilities.

Commissioner Fuller inquired if this was an annual procedure. Mr. Lipparelli explained this was required during the annual August DMC meeting.

Commissioner Breternitz noted he did not have a staff report for this item. Acting Chairman Martini indicated there were no staff reports.

In response to questions from Commissioner Hunting, Mr. Lipparelli explained there could be instances when debt proposals arrived from agencies not traditionally considered public health, safety or education, but a finding could be made that the proposal would further one of the three priorities.

There was no public comment on this item.

On motion by Commissioner Breternitz, seconded by Commissioner Hunting, which motion duly carried with Chairman Gustin absent, it was ordered that the priorities of Public Safety, Health and Education be established.

09-37DMC **AGENDA ITEM 9**

Agenda Subject: “Discussion and action to specify a threshold percentage of the statutory ceiling for the combined tax rate in any of the overlapping entities within the county which if exceeded permits the Debt Management Commission to inquire into the public need to be served by proposed debt or a special elective tax based on established priorities among essential and non-essential facilities and services and compare that public need to other public needs that appear on certain filed statements of current and contemplated debt (Pursuant to NRS 350.0155(1) the percentage must not be less than 75 percent).”

Paul Lipparelli, Legal Counsel, stated the setting of the threshold percentage further established a priority of the Debt Management Commission (DMC). He explained as stated in NRS 350.0155(1) when the tax rate reached a certain level it authorized the DMC to probe into the public benefit of the proposal.

Commissioner Breternitz asked who was responsible for completing staff reports for the DMC. Mr. Lipparelli explained the DMC did not have a staff. He remarked statute declared the District Attorney’s Office as legal advisor and the County Finance Director as the financial advisor. Mr. Lipparelli stated in the past the Finance Department produced staff reports. Commissioner Breternitz understood the staff shortages; however, background information would be beneficial and noted he would speak to Finance Director John Sherman.

Commissioner Salazar indicated when the threshold was set last year; Mr. Sherman recommended a 90 percent threshold.

Mr. Lipparelli suggested a motion to specify 90 percent as the threshold percentage of the statutory ceiling for the combined property tax rate for the overlapping entities within Washoe County. He explained if it was exceeded that would permit the DMC to inquire into the public need to be served by the proposed debt or special elective tax, based on the established priorities among essential and non-essential facilities and services and to compare the public need to other public needs that appear on certain filed statements of the current and contemplated debt.

Commissioner Fuller inquired why the percentage was being moved from 75 percent to 90 percent. Acting Chairman Martini explained the percentage was not to be less than 75 percent. Commissioner Hunting indicated the percentage was currently 90 percent, but statute stated it must not be less than 75 percent. Mr. Lipparelli acknowledged it was always the action of the DMC to establish the threshold at 90 percent, but reiterated it could not be less than 75 percent.

Commissioner Breternitz asked if this needed to be resolved during this meeting since he would prefer continuing the item in order to receive additional information. Mr. Lipparelli remarked because statute required this be completed during the annual DMC meeting, he suggested acting on the item to establish a threshold, but revisit the discussion during a future meeting.

On motion by Acting Chairman Martini, seconded by Commissioner Salazar, which motion duly carried with Chairman Gustin absent, it was ordered that 90 percent be specified as the threshold percentage of the statutory ceiling for the combined property tax rate for the overlapping entities within Washoe County, which if exceeded, permitted the DMC to inquire into the public need to be served by the proposed debt or special elective tax based on the established priorities among essential and non-essential facilities and services and to compare the public need to other public needs that appear on certain filed statements of the current and contemplated debt.

Following discussion, on motion by Commissioner Breternitz, seconded by Commissioner Fuller, which motion duly carried with Chairman Gustin absent, it was ordered that the above issue be discussed during the next scheduled meeting of the DMC. It was further ordered that additional information be provided.

09-38DMC

AGENDA ITEM 10

Agenda Subject: “Discussion and possible action on a Resolution concerning the submission to the Washoe County Debt Management Commission of the 2009 School District’s proposal to issue General Obligation Limited Tax School Bonds Series 2009 additionally secured by pledged revenues in the maximum principal amount of \$51,000,000; and approving certain details in connection therewith.”

Marty Johnson, Washoe County School District Financial Advisor, stated a package was distributed that outlined the criteria considered when approving General Obligation Bonds, which was placed on file with the Clerk. He said because these were rollover bonds issued by the School District there were two additional criteria which required that compliance be demonstrated. He explained the criteria and indicated how the School District met those criteria as indicated in the submitted outline.

On motion by Commissioner Fuller, seconded by Commissioner Breternitz, which motion duly carried with Chairman Gustin absent, it was ordered that Agenda Item 10 be approved and adopted. A copy of the Resolution is attached hereto and made a part of the minutes thereof.

09-39DMC

AGENDA ITEM 11

Agenda Subject: “Review and accept the following Annual Reports from all Washoe County political subdivisions:”

- a. Indebtedness Reports**
- b. Debt Management Plans**
- c. Capital Improvement Programs**

Paul Lipparelli, Legal Counsel, explained under State law, every municipality which proposed to issue or had an outstanding debt, must submit a complete statement of their current debt and their future contemplated debt to the Debt Management Commission (DMC). He said the importance of the submitted reports was a basis for the DMC to evaluate the performance of the municipalities on the outstanding debt, to consider future proposed debt and to consider the ability of the jurisdiction to service the debt and how it could affect other jurisdictions coming forward for debt approval. He explained there was no staff to perform audits, but the entities providing the information employed accountants and auditors who reviewed the data and reported to the State Tax Commission.

On motion by Commissioner Fuller, seconded by Commissioner Breternitz, which motion duly carried with Chairman Gustin absent, it was ordered that Agenda Item 11 be approved and accepted.

09-40DMC

AGENDA ITEM 12

Agenda Subject: “Set Dates/Times for Quarterly Meetings for 2009/10. Suggested dates are as follows:”

- Friday, November 13, 2009**
- Friday, February 5, 2010**
- Friday, May 14, 2010**
- Friday, August 13, 2010**

On motion by Commissioner Hunting, seconded by Commissioner Hollinger, which motion duly carried with Chairman Gustin absent, it was ordered that the above mentioned dates be approved.

09-41DMC

AGENDA ITEM 13

Agenda Subject: “Member Comments.”

Commissioner Breternitz indicated he would like to have staff reports prepared for the Board regarding issues on the agenda and that he would speak with staff in that regard. Commissioners Hollinger and Fuller concurred.

Agenda Subject: "Public comments."

There was no response to the call for public comment.

* * * * *

ADJOURNMENT

3:40 p.m. There being no further business to come before the Board, it was ordered the meeting be adjourned.

Geno Martini, Acting Chairman,
Debt Management Commission

ATTEST:

AMY HARVEY, County Clerk
and Ex Officio Secretary,
Debt Management Commission

*Minutes Prepared by:
Stacy Gonzales, Deputy County Clerk*

RESOLUTION

A RESOLUTION CONCERNING THE SUBMISSION TO THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION BY WASHOE COUNTY SCHOOL DISTRICT, NEVADA, OF A PROPOSAL TO ISSUE GENERAL OBLIGATIONS; CONCERNING ACTION TAKEN THEREON BY THE COMMISSION; AND APPROVING CERTAIN DETAILS IN CONNECTION THEREWITH.

WHEREAS, pursuant to Nevada Revised Statutes ("NRS") 350.011 through 350.165, the Board of Trustees (the "Board") of the Washoe County School District, Nevada (the "District"), notified the secretary of the Debt Management Commission of Washoe County (the "Secretary" and the "Commission," respectively) of the District's proposal to issue general obligations and submitted a statement of the District's proposal in sufficient number of copies for each member of the Commission; and

WHEREAS, the Board has submitted the following question to the qualified electors of the District at the November 5, 2002 general election and the qualified electors approved the following question at such election:

WASHOE COUNTY SCHOOL DISTRICT BOND QUESTION:

Shall the Washoe County School District be authorized to issue general obligation school bonds to finance the acquisition, construction, improvement and equipping of school facilities? District projections at the time the bonds are issued must indicate that issuance of the bonds will not result in an increase of the existing school bond property tax rate of 38.85 cents (\$0.3885) per \$100 of assessed value. If approved, this authorization will expire November 5, 2012.

(the "Question"); and

WHEREAS, pursuant to Nevada Revised Statutes ("NRS") 350.014(1) and NRS 350.020(4), the Board proposes to incur general obligation debt (subject to the approval of the Washoe County Debt Management Commission) in accordance with the Question approved by the qualified electors of the District and the following proposal:

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GENERAL OBLIGATION SCHOOL BOND PROPOSAL:

Shall the Board of Trustees of the Washoe County School District, Nevada, be authorized to incur a general obligation indebtedness on behalf of the District by the issuance at one time, or from time to time, of the District's general obligation school bonds, in one series or more, in the maximum aggregate principal amount of \$51,000,000 for the constructing, expanding, improving and equipping school facilities within the District until November 5, 2012 by constructing or purchasing new buildings for schools, enlarging, remodeling, replacing or repairing existing buildings or grounds, acquiring sites for building schools or additional real property for necessary purposes related to schools, and purchasing necessary furniture and equipment for schools, such bonds to mature 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, payable from general (ad valorem) taxes, and to be issued on or before November 5, 2012 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 other detail as the Board of Trustees 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?

09-38DMC

(the "Proposal"); and

WHEREAS, pursuant to NRS 350.0145, 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 each of the Proposal to each member of the Commission with the notice of the meeting; 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 "2009 Washoe County School District Approval Resolution."

Section 2. The provisions of NRS 350.013 to 350.0165, and 350.020(4) have been met, and therefore the Proposal for the issuance of general obligation school bonds proposed by the District hereby 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 August 14, 2009.

(SEAL)



Harvey
Secretary, Debt Management Commission

Gene R. Minter

Chairman
Debt Management Commission

09-38 DME

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

I, Amy Harvey, the County Clerk of Washoe County, State of Nevada, ex officio Secretary of the Debt Management Commission of Washoe County, State of Nevada, do hereby certify:

1. The foregoing pages are a full and correct copy of a resolution designated as "2009 Washoe County School District Approval Resolution".

2. At the August 14, 2009 meeting of the Debt Management Commission of Washoe County, Nevada, the resolution was passed and adopted. The members of the Commission voted on the passage of the resolution and were present at such meeting as follows:

Those Voting Aye:

John Breternitz
Ted Fuller
~~Dan Gustin~~
Nancy Hollinger
James Hunting
Gene Martini
Michelle Salazar

Those Voting Nay:

NONE

Those Absent:

DAN GUSTIN

3. Pursuant to NRS 350.0145, all members of the Commission were given due and proper notice of the meeting. Pursuant to and in full compliance with NRS 241.020, written notice of the meeting was given no later than 9:00 a.m. on the third working day before the meeting including in the notice the time, place, location, and agenda of the meeting:

(a) By posting a copy of the notice not later than 9:00 a.m. on the third working day before the meeting at the principal office of the Commission, or if there is no principal office, at the building in which the meeting is to be held, and at least three (3) other separate, prominent places within the jurisdiction of the Commission, to wit:

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- (i) Washoe County Administration Complex
1001 East Ninth Street
Reno, Nevada
- (ii) Washoe County Courthouse
Virginia and Court Streets
Reno, Nevada
- (iii) Reno City Hall
450 Sinclair Street
Reno, Nevada
- (iv) Sparks Justice Court
630 Greenbrae Drive
Sparks, Nevada

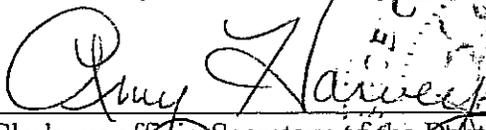
and

(b) By mailing a copy of the notice to each person, if any, who has requested notice of the meeting of the Commission in accordance with the provisions of Chapter 241 of NRS.

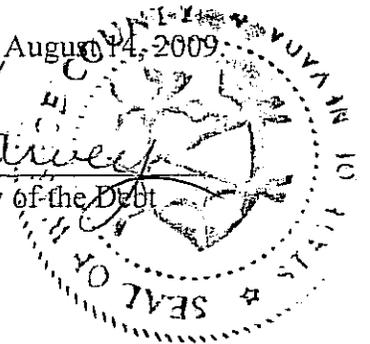
4. Upon request, the Commission provides at no charge, at least one copy of the agenda for its public meetings, any proposed ordinance, resolution or regulation which will be discussed at the public meeting, and any other supporting materials provided to the Commission for an item on the agenda, except for certain confidential materials and materials pertaining to closed meetings, as provided by law.

5. A copy of the notice given of the meeting of the Commission is attached as Exhibit A.

IN WITNESS WHEREOF, I have hereunto set my hand on this August 14, 2009.



County Clerk, ex officio Secretary of the Debt
Management Commission



09-38DMR

Exhibit A

(Attach Copy of Notice of Meeting)

09-38 DME