

**DEBT MANAGEMENT COMMISSION
WASHOE COUNTY, NEVADA**

QUARTERLY MEETING

FRIDAY

3:00 p.m.

OCTOBER 17, 2003

PRESENT:

Jim Galloway, Chairman
Richard Pugh, Vice-Chairman
Geno Martini, Commissioner
Robert Seach, Commissioner
Robert Wolf, Commissioner

Amy Harvey, County Clerk
Paul Lipparelli, Legal Counsel

ABSENT:

Jonnie Pullman, Commissioner
Sharon Zadra, Commissioner

The Washoe County Debt Management Commission (DMC) met in the Chambers of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada, in full conformity with the law, with Chairman Galloway presiding. Following the Pledge of Allegiance to the flag of our Country, the Clerk called the roll and the Board conducted the following business:

03-16DMC AGENDA

On motion by Commissioner Martini, seconded by Commissioner Wolf, which motion duly carried with Commissioners Pullman and Zadra absent, Chairman Galloway ordered that the agenda for the October 17, 2003 meeting be approved.

PUBLIC COMMENTS

There was no response to the call for public comments.

03-17DMC MINUTES

On motion by Commissioner Martini, seconded by Commissioner Pugh, which motion duly carried with Commissioners Pullman and Zadra absent, Chairman Galloway ordered that the minutes of the July 18, 2003 annual meeting be approved.

03-18DMC RESOLUTION – GENERAL OBLIGATION SCHOOL BONDS – WASHOE COUNTY SCHOOL DISTRICT

Jennifer Stern, Bond Counsel, explained the issuance of the rollover bonds by the Washoe County School District (WCSD) was authorized by the voters in 2002 as long as the Oversight Panel for School Facilities approves the public need for the facilities. She discussed the Board's responsibility to review the sufficiency of the revenues under the existing tax rate of 38.85 cents. She said the WCSD proposes to issue the bonds in two series over this calendar year and next year.

Scott Nash, Johnson Consulting Group, reviewed the financial information, which was placed on file with the County Clerk, and answered questions of the Board. He explained the "frozen" tax rate must be sufficient to cover the existing and future bond payments. He stated the annual coverage is always positive and the numbers provided do not take into account fund balance, debt service reserves, and other funds that would be available for debt service. He then reviewed other requirements. In response to Commissioner Pugh, Mr. Nash explained the estimated growth rate for fiscal year 2004 is the actual growth in Washoe County based on the Washoe County Assessor's numbers and the subsequent years' projected growth rates are conservative. In response to Commissioner Seach, Mr. Nash said the estimated interest earnings are based on a budgeted WCSD number and an approximate \$38 million ending fund balance. Gary Kraemer, Chief Financial Officer, WCSD, said the \$1 million of interest earnings is very conservative. Chairman Galloway asked how fiscal years' 2006 and 2007 annual coverage compare to normal practice and conservative approval of bond issues. Mr. Nash stated the annual coverage takes into account the debt service payments compared to projected incoming revenues and the interest estimate on the bonds is above-market, which would provide a cushion. He further said, if needed, the District could put some bond proceeds in a reserve fund to meet the coverage requirement, and that is common on many types of bonds. Mr. Nash stated it is re-evaluated frequently, as growth and revenue projections become solid numbers, to determine affordability. Commissioner Wolf inquired about the timing of the second issuance and Mr. Nash said there are many factors that would be considered, including affordability, project needs and the current parameters discussed.

Commissioner Galloway disclosed he is a member of the Oversight Panel for School Facilities and that group has not met to approve the current action. Paul Lipparelli, Legal Counsel, said State law requires the DMC and the Oversight Panel approve the debt issue before its issuance, but it does not specify which entity must approve the debt issue first. Ms. Stern agreed.

Ms. Stern pointed out the Resolution requires a two-thirds majority vote, which is five Commissioners.

Commissioner Wolf questioned the difference in the assessed valuation for the Incline Village General Improvement District and the North Lake Tahoe Fire

Protection District on page A-13 of Appendix A to the Financial Information, but there was no one present who could answer his question.

Based on the finding that all criteria are met, on motion by Commissioner Martini, seconded by Commissioner Seach, which motion duly carried with Commissioners Pullman and Zadra absent, it was ordered that the following Resolution be adopted and Chairman Galloway be authorized to execute the same:

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 §§ 350.011 through 350.165, Nevada Revised Statutes ("NRS"), 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:

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 \$100,000,000 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 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?

(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 "2003 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 of 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.

03-19DMC RESOLUTION – GENERAL OBLIGATION FIRE PROTECTION BONDS – NORTH LAKE TAHOE FIRE PROTECTION DISTRICT

Jennifer Stern, Bond Counsel, explained this general obligation revenue proposal. In response to Chairman Galloway, Ms. Stern said the Board is not to consider the merits of the project.

Jim Linardos, Fire Chief, summarized the purposes for the bond issue.

Scott Nash, Johnson Consulting Group, reviewed the financial information, which was placed on file with the County Clerk. He also responded to questions of the Board.

Based on the finding that all criteria are met, on motion by Commissioner Pugh, seconded by Commissioner Wolf, which motion duly carried with Commissioners Pullman and Zadra absent, it was ordered that the following Resolution be adopted and Chairman Galloway be authorized to execute the same:

RESOLUTION

A RESOLUTION CONCERNING THE SUBMISSION TO THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION OF A PROPOSAL BY NORTH LAKE

**TAHOE FIRE PROTECTION DISTRICT TO ISSUE
GENERAL OBLIGATIONS (ADDITIONALLY
SECURED BY PLEDGED REVENUES) IN THE
MAXIMUM PRINCIPAL AMOUNT OF \$5,100,000;
CONCERNING ACTION TAKEN THEREON BY
THE COMMISSION; AND APPROVING CERTAIN
DETAILS IN CONNECTION THEREWITH.**

WHEREAS, pursuant to § 350.020(3) the North Lake Tahoe Fire Protection District, Nevada (the "District") (subject to the approval of such proposal to issue general obligations by the Washoe County Debt Management Commission) proposes to adopt and publish a resolution of intent to issue general obligation (limited tax) fire protection bonds additionally secured by pledged revenues; and

WHEREAS, the District has determined that the pledged revenues will at least equal the amount required in each year for the payment of interest on and principal of such general obligation bonds; and

WHEREAS, the District proposes to incur such general obligations without an election unless a petition, signed by the requisite number of registered voters of the District is presented to the District requiring the District to submit to the qualified electors of the District for their approval or disapproval, the following proposal:

**GENERAL OBLIGATION FIRE PROTECTION
BONDS (ADDITIONALLY SECURED BY PLEDGED
REVENUES) PROPOSAL:**

Shall the Board of Directors of the North Lake Tahoe Fire Protection District, Nevada, be authorized to incur a general obligation indebtedness (additionally secured by pledged revenues) on behalf of the District by the issuance at one time, or from time to time, of the District 's general obligation fire protection bonds (additionally secured by pledged revenues), in one series or more, in the aggregate principal amount of not exceeding \$5,100,000 for the purposes of acquiring, constructing, improving and equipping District fire protection facilities, 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 (except to the extent pledged revenues and other monies are available therefor), 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 other detail as the Board may determine, including, but not necessarily limited to, its option to include provisions for the redemption of bonds prior to maturity without or with the payment of a premium?

(the "Proposal"); and

WHEREAS, pursuant to NRS § 350.0145, 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 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 "2003 North Lake Tahoe Fire Protection District DMC Approval Resolution."

Section 2. The Commission hereby finds that the requirements of NRS §§ 350.011 to 350.0165, inclusive, have been met, and the Proposal for the issuance of general obligation fire protection bonds proposed by the District 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 COMMENTS

There was no response to the call for public comments.

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There being no further business to come before the Board, the meeting adjourned at 3:31 p.m.

JIM GALLOWAY, Chairman
Debt Management Commission

ATTEST:

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

*Minutes Prepared by
Melissa M. Ayrault, Deputy County Clerk*