

**DEBT MANAGEMENT COMMISSION
WASHOE COUNTY, NEVADA**

ANNUAL MEETING

FRIDAY

3:00 P.M.

JULY 23, 2004

PRESENT:

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

Amy Harvey, County Clerk
Paul Lipparelli, Legal Counsel

ABSENT:

Jonnie Pullman, Commissioner

The Washoe County 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 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:

04-07DMC AGENDA

On motion by Commissioner Martini, seconded by Commissioner Pugh, which motion duly carried with Commissioner Pullman absent and Commissioner Wolf temporarily absent, Chairman Galloway ordered that the agenda for the July 23, 2004, annual meeting be approved with the following changes: correction of a typographical error on Item 13, changing the dates from 2003/04 to 2004/05.

PUBLIC COMMENTS

There was no response to the call for public comments.

* **3:13 p.m.** Commissioner Wolf arrived at the meeting.

04-08DMC MINUTES

Commissioner Pugh asked if it is necessary to note that a Commissioner is absent on each motion; and Paul Lipparelli, Legal Counsel, stated it was careful practice in the event that the number of people changes throughout the course of a meeting.

On motion by Commissioner Martini, seconded by Commissioner Pugh, which motion duly carried with Commissioner Pullman absent and Commissioners Wolf and Zadra abstaining, Chairman Galloway ordered that the minutes of the May 14, 2004 quarterly meeting be approved.

04-09DMC ESTABLISH PERCENTAGE OF OVERLAPPING TAX RATE AS TRIGGER FOR ADDITIONAL CONSIDERATION OF PUBLIC NEEDS

Paul Lipparelli, Legal Counsel, explained that under State law the Board has the job of specifying this threshold percentage annually. He said the Board has historically left the percentage as the former statute had it and has not exercised the discretion it has to change that amount. Chairman Galloway inquired if the percentage was at 90 percent, and Legal Counsel confirmed that to be true.

On motion by Commissioner Wolf, seconded by Commissioner Zadra, which motion duly carried with Commissioner Pullman absent, Chairman Galloway ordered that the threshold percentage remain at 90 percent for the percentage of limitation on total ad valorem tax levy for the purposes of NRS 350.0051(d).

04-10DMC ESTABLISH PRIORITIES – ESSENTIAL – NONESSENTIAL FACILITIES AND SERVICES

Chairman Galloway stated that these would be the standards by which the Board would implement judgment in the event that the 90 percent threshold was exceeded.

Legal Counsel Paul Lipparelli said that, in accordance with NRS 350.0051 (d)(1), the Board has the duty annually to establish priorities among essential and nonessential facilities and services to be used when determining the public need to be served by a proposed debt or tax levy. He noted that in the past the Board has established the priorities of public safety, education and health as essential services.

On motion by Commissioner Zadra, seconded by Commissioner Martini, which motion duly carried with Commissioner Pullman absent, Chairman Galloway ordered that public safety, education and health be established as essential facilities and services, all having priority; and all other facilities and services be established as nonessential.

3:18 p.m. Commissioner Martini temporarily left the meeting.

**04-11DMC REVIEW AND ACCEPTANCE OF ANNUAL REPORTS FROM
POLITICAL SUBDIVISIONS**

On motion by Commissioner Zadra, seconded by Commissioner Seach, which motion duly carried with Commissioner Martini temporarily absent and Commissioner Pullman absent, Chairman Galloway ordered that the Annual Indebtedness Reports, Debt Management Plans and Capital Improvement Programs received from the following entities be accepted:

Airport Authority of Washoe County
Gerlach General Improvement District
Incline Village General Improvement District
North Lake Tahoe Fire Protection District
Palomino Valley General Improvement District
Regional Transportation Commission
City of Reno
Reno Redevelopment Agency
Reno/Sparks Convention and Visitors Authority
City of Sparks
South Truckee Meadows General Improvement District
Sparks Redevelopment Agency
Sun Valley General Improvement District
Truckee Meadows Fire Protection District
Truckee Meadows Water Authority
Verdi Television District
Washoe County School District
Washoe County

3:23 p.m. Commissioner Martini returned to the meeting.

**04-12DMC RESOLUTION – GENERAL OBLIGATION BUILDING BONDS –
WASHOE COUNTY**

Jennifer Stern, Bond Counsel, stated the bonds would be used to acquire the building at 350 S. Center for County use. She said the resolution before the Board is for General Obligation Building Bonds, additionally secured by pledged revenues. The revenues of 15 percent of consolidated tax proceeds received by the County would be pledged for payment of the debt. She reviewed the financial information, which was placed on file with the Clerk. She noted there would be ample coverage to pay these bonds out of existing revenues. Ms. Stern said it would have no impact on the tax rate because there are sufficient revenues to repay the debt and it meets the debt limit; therefore, the Board should approve the proposal.

Tom Gadd, Public Works Director, explained that the purchase of the building at 350 S. Center and the adjoining parking garage at 220 S. Center are in an effort to eliminate a number of lease costs that the County is experiencing with offices in

the downtown area. He said the cost analysis has been completed on acquiring the building versus paying the lease costs versus building a new structure of equal size. Mr. Gadd stated it was determined by staff that buying the building and retiring the lease costs would save Washoe County approximately \$21-million over the life of the leases with a net present value of roughly \$11-million savings. He further explained that the building was appraised at \$9.7-million, it was evaluated by architects for structural integrity, and costs were included for remodel and upgrades.

In response to Commissioner Wolf, Mr. Gadd explained that any costs required for the building concerning codes or upgrades that were determined by the architects have been included in the total cost. He clarified the purchase price for the building and parking garage is \$9.7-million.

On motion by Commissioner Pugh, seconded by Commissioner Wolf, which motion duly carried with Commissioner Pullman absent, it was ordered that the following Resolution be adopted and Chairman Galloway be authorized to execute the same:

RESOLUTION NO. 04-12DMC

A RESOLUTION CONCERNING THE SUBMISSION TO THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION OF A PROPOSAL TO ISSUE GENERAL OBLIGATION BUILDING BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) IN THE MAXIMUM PRINCIPAL AMOUNT OF \$11,900,000; CONCERNING ACTION TAKEN THEREON BY THE COMMISSION; AND APPROVING CERTAIN DETAILS IN CONNECTION THEREWITH.

WHEREAS, pursuant to §§ 350.011 through 350.0165, 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 BUILDING 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) building bonds, in one series or more, in the aggregate principal amount of not exceeding \$11,900,000 for the purpose of financing, wholly or in part, the acquisition, construction, improvement and equipment of building projects, including public buildings to accommodate or house lawful county activities, including without limitation, records, county personnel, offices, supplies, and equipment, as provided in NRS 244A.019, the 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, 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 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 § 350.0145, 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 350.013 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 "2004 Building Bond DMC Approval Resolution."

Section 2. The provisions of NRS §§ 350.013 to 350.015 have been met, and the Proposal for the issuance of general obligation (limited tax) building bonds additionally secured with pledged revenues in the aggregate principal amount of \$11,900,000 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.

04-13DMC RESOLUTION – GENERAL OBLIGATION BUILDING BONDS –
CITY OF RENO

Andrew Green, City of Reno Finance Director, explained the resolution before the Board is a request to issue General Obligation Bonds, additionally secured by pledged revenues, in the amount of \$3.5-million. He said the purpose of the request is to provide gap funding for the Joint Municipal Court District Attorney facility that would be constructed in the City of Reno. This would make up the final portion of the City's necessary amount for the facility. He reviewed the financial information, which was placed on file with the Clerk. Mr. Green noted the proposed bonds would be general obligations of the City additionally secured by a subordinate pledge of 15 percent of the City's consolidated tax revenues and of the administrative assessments for the provision of court facilities imposed pursuant to NRS 176.0611. He stated there would be adequate coverage to make the payments without having any impact on the ad valorem rate.

On motion by Commissioner Zadra, seconded by Commissioner Martini, which motion duly carried with Commissioner Pullman absent, it was ordered that the following Resolution be adopted and Chairman Galloway be authorized to execute the same:

RESOLUTION NO. 04-13DMC

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

WHEREAS, pursuant to §§ 350.011 through 350.0165, Nevada Revised Statutes ("NRS"), the City Council (the "Council") of the City of Reno, Nevada (the "City"), notified the secretary of the Washoe County Debt Management Commission (the "Secretary" and the "Commission," respectively) of the City's proposal to issue general obligations additionally secured by pledged revenues and submitted a statement of the City's proposal in sufficient number of copies for each member of the Commission; and

WHEREAS, the Council anticipates making a determination 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 building bonds; and

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

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

Shall the City Council of the City of Reno, Nevada, be authorized to incur a general obligation indebtedness (additionally secured by pledged revenues) on behalf of the City by the issuance at one time, or from time to time, of the City's general obligation building bonds, in one series or more, in the aggregate principal amount of not exceeding \$3,500,000 for the purpose of acquiring, constructing, improving and equipping City building projects as defined in NRS 268.676, 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 Council 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 § 350.015, 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 less 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 received from the City complete statements of current and contemplated general obligation debt, a debt management policy, a capital improvements plan (which includes the capital improvements proposed to be financed as provided in the Proposal) and a statement of the chief financial officer, in full compliance with NRS 350.013; and

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

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

Section 1. This resolution shall be known as the "2004 City of Reno Building Bonds DMC Approval Resolution."

Section 2. The Commission hereby finds that the requirements of NRS §§ 350.013 to 350.015, inclusive have been met, and the Proposal for the issuance of general obligation building bonds (additionally secured by pledged revenues) in the maximum principal amount of \$3,500,000 by the City 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.

04-14DMC LEGISLATIVE ISSUES

Paul Lipparelli, Legal Counsel, explained the recommendations made by the Debt Management Commission (DMC) were submitted to the County Legislative Affairs officials who are in the process of incorporating those into a package of proposals to be presented to the County Commission and ultimately to the Legislature. He said everything is on track as the DMC had requested, and he noted the County Commissioners had taken no final action on the legislative package at this point.

Chairman Galloway confirmed that the last action on the package by the County Commissioners was to have it return for approval. He added there was no dispute over DMC matters to the extent that there was any discussion or controversy.

04-15DMC SET DATES FOR QUARTERLY MEETINGS FOR 2004/05

On motion by Commissioner Martini, seconded by Commissioner Zadra, which motion duly carried with Commissioner Pullman absent, Chairman Galloway ordered that the quarterly meeting dates for the Debt Management Commission for 2004/05 be approved as follows: November 19, 2004, February 18, 2005, May 20, 2005, and July 22, 2005.

MEMBER COMMENTS

Commissioner Wolf inquired if there was any progress on a memorandum of understanding (MOU) that would be presented in conjunction with the legislative action. He asked about any further details, and noted that part of the MOU was concerning cost sharing if the Board adopted the premise to pay for attendance by the at-large members. Commissioner Galloway stated he did not receive information back from staff, and he would request a response from staff to the DMC Board by memorandum regarding Commissioner Wolf's inquiry.

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 3:35 p.m.

JIM GALLOWAY, Chairman
Debt Management Commission

ATTEST:

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

*Minutes Prepared by
Lori Rowe, Deputy County Clerk*