

**DEBT MANAGEMENT COMMISSION
WASHOE COUNTY, NEVADA**

ANNUAL MEETING

FRIDAY

3:00 P.M.

AUGUST 18, 2006

PRESENT:

Richard Pugh, Member at Large, Chairman
Jonnie Pullman, Washoe County School District, Vice Chairman
Steve Cohen, GID Representative, Commissioner
Jim Galloway, Washoe County Commissioner, Commissioner
Robert Wolf, Member at Large, Commissioner

Amy Harvey, County Clerk
Paul Lipparelli, Legal Counsel

ABSENT:

Dan Gustin, Reno City Council, Commissioner
Geno Martini, Sparks City Council, 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 Pugh presiding. Following the Pledge of Allegiance to the flag of our Country, the Clerk called the roll and the Board conducted the following business:

06-12DMC AGENDA

On motion by Commissioner Cohen, seconded by Commissioner Pullman, which motion duly carried with Commissioners Gustin and Martini absent, Chairman Pugh ordered that the agenda for the August 18, 2006 annual meeting be approved.

PUBLIC COMMENT

There was no response to the call for public comment.

06-13DMC MINUTES

On motion by Commissioner Pullman, seconded by Commissioner Cohen, which motion duly carried with Commissioners Gustin and Martini absent, Chairman Pugh ordered that the minutes of the June 15, 2006 special meeting be approved.

06-14DMC ESTABLISH PRIORITIES – ESSENTIAL--NONESENTIAL FACILITIES AND SERVICES

John Sherman, Washoe County Finance Director, explained that one of the actions the Board is statutorily required to do every year is 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 had decided that public safety, health and education would be designated as the top three essential facilities and services.

Chairman Pugh asked how public safety would be defined and whether any infrastructure projects would be included. Mr. Sherman advised projects such as the jail would be an example of a public safety infrastructure project. Commissioner Pullman stated the Regional Public Safety Training Center was an infrastructure project related to public safety. Commissioner Cohen asked if roadway projects would be included in public safety projects. Mr. Sherman said road projects are financed differently and, to his knowledge, have never come before this Board. He further said he would have to look into it and get back to the Board. Commissioner Wolf commented that if there was any dispute, it would ultimately be up to the Board to make a determination.

On motion by Commissioner Wolf, seconded by Commissioner Galloway, which motion duly carried with Commissioners Gustin and Martini absent, Chairman Pugh ordered that issues related to public safety, health and education be established as essential facilities and services, all having priority; and all other facilities and services be established as nonessential.

06-15DMC ESTABLISH PERCENTAGE OF OVERLAPPING TAX RATE AS TRIGGER FOR ADDITIONAL CONSIDERATION OF PUBLIC NEEDS

John Sherman, Washoe County Finance Director, explained this is a companion item that goes along with establishing the Board's priorities and is another mandatory action the Board must take at its annual meeting each year. He reviewed the current overlapping tax rates in Washoe County and said the Board has historically set the threshold at 90 percent of the \$3.64 tax cap, which equates to \$3.61. Mr. Sherman noted that the overlapping rates are already over the \$3.61.

On motion by Commissioner Wolf, seconded by Commissioner Galloway, which motion duly carried with Commissioners Gustin and Martini absent, Chairman Pugh 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 350.0155.

**06-16DMC REVIEW AND ACCEPTANCE OF ANNUAL REPORTS FROM
POLITICAL SUBDIVISIONS**

Commissioner Galloway asked if all of the entities submitted their reports as required. County Clerk Amy Harvey responded they had, and all reports were received timely.

On motion by Commissioner Pullman, seconded by Chairman Pugh, which motion duly carried with Commissioners Gustin and Martini absent, it was 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
Grandview Terrace 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
Sparks Redevelopment Agency
South Truckee Meadows General Improvement District
Sun Valley General Improvement District
Truckee Meadows Fire Protection District
Truckee Meadows Water Authority
Verdi Television District
Washoe County School District
Washoe County
Sierra Fire Protection District

**06-17 RESOLUTION - WASHOE COUNTY - 2006 FLOOD CONTROL
BONDS**

John Sherman, Washoe County Finance Director, advised this proposed debt is for the Truckee River Flood Control Management Project; the Board of County Commissioners approved the proposal on July 27, 2006; and the County Commissioners found that no increase in the property tax rate would be necessary for the payment of this debt. He then reviewed the financial information included in the agenda backup material, specifically discussing the coverage ratio. Mr. Sherman further stated this debt structure would be utilized to fully leverage the 1/8-percent sales tax funds to finance projects that have been identified by the Flood Project Coordinating Committee as essential to the flood project being constructed in conjunction with the Army Corps of Engineers (the Corps).

Commissioner Galloway noted there is no principal payment until 2011. Mr. Sherman stated the County has a medium term debt outstanding for the Regional Public Safety Training Center that will end in 2011 and this proposal is being tied to that one in order to maximize the principal amount. Commissioner Galloway commented it is essential for the County to have the funds when opportunities to acquire land necessary for the flood project become available.

Commissioner Wolf asked if the community was working with other entities downstream on the flood project. Mr. Sherman stated they are and cited the Rainbow Bend community in Storey County as a participant in the planning of the project. Commissioner Galloway advised the Corps had recently increased the budget for the project in recognition of the downstream impacts.

On motion by Commissioner Cohen, seconded by Commissioner Pullman, which motion duly carried with Commissioners Gustin and Martini absent, it was ordered that the following resolution be adopted and Chairman Pugh be authorized to execute the same:

RESOLUTION

A RESOLUTION CONCERNING THE SUBMISSION TO THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION OF A PROPOSAL TO ISSUE WASHOE COUNTY, NEVADA, GENERAL OBLIGATION FLOOD CONTROL BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) IN THE MAXIMUM PRINCIPAL AMOUNT OF \$60,000,000; 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 (LIMITED TAX) FLOOD CONTROL 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) flood control bonds, in one series or more, in the aggregate principal amount of not exceeding \$60,000,000 for the purpose of financing, wholly or in part, the acquisition, establishment, construction, and expansion of projects for the management of flood plains or the prevention of floods as set forth in the plan adopted pursuant to NRS 377B.100, 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, 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 Board has determined and found that no increase in the rate of an ad valorem tax is anticipated to be necessary for the payment of the Bonds described in the Proposal for the term thereof (the "Finding"); 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 the Finding; 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 "2006 Flood Control 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) flood control bonds additionally secured by pledged revenues in the aggregate principal amount of \$60,000,000 and the Finding 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.

06-18DMC SET DATES FOR QUARTERLY MEETINGS FOR 2006/07

On motion by Commissioner Wolf, seconded by Commissioner Cohen, which motion duly carried, Chairman Pugh ordered that the quarterly meeting dates for the Debt Management Commission for 2006/07 be approved as follows with the time remaining at 3:00 p.m.: November 17, 2006, February 9, 2007, May 18, 2007, and August 17, 2007.

MEMBER COMMENTS

There was no response to the call for comments.

PUBLIC COMMENT

There was no response to the call for public comment.

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There being no further business to come before the Board, the meeting adjourned at 3:26 p.m.

RICHARD PUGH, Chairman
Debt Management Commission

ATTEST:

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

*Minutes Prepared by
Sharon Gotchy, Deputy County Clerk*