

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

TUESDAY

8:00 A.M.

JANUARY 27, 2009

PRESENT:

Dan Gustin, Reno City Council, Acting Chairman
John Breternitz, Washoe County Commissioner
Geno Martini, Sparks City Mayor, Commissioner
Nancy Hollinger, Washoe County School District, Commissioner
Ted Fuller, GID Representative, Incline Village, Commissioner

Nancy Parent, Chief Deputy Clerk
Paul Lipparelli, Assistant District Attorney

The Washoe County Debt Management Commission (DMC) met at 8:00 a.m. in the Washoe County Commissioner's Chambers at the Administration Complex, 1001 East Ninth Street, Reno, Nevada, in full conformity with the law, with Acting Chairman Gustin presiding. Following the Pledge of Allegiance to the flag of our Country, the Clerk called the roll and the Board conducted the following business:

09-01DMC AGENDA ITEM 4

Agenda Subject: "Call for appointment of acting chairperson."

Commissioner Martini nominated Commissioner Gustin.

On motion by Commissioner Martini, seconded by Commissioner Breternitz, which motion duly carried, it was ordered that Commissioner Gustin be the Acting Chairman for this meeting.

09-02DMC AGENDA ITEM 5

Agenda Subject: "Public Comments."

There was no response to the call for public comments.

09-03DMC AGENDA ITEM 6

Agenda Subject: "Oath of Office for new members appointed by other boards."

Nancy Parent, Chief Deputy Clerk, administered the oath of office to Ted Fuller, John Breternitz and Nancy Hollinger.

09-04DMC

AGENDA ITEM 7

Agenda Subject: “Approval of the Agenda for the January 27, 2009 Organizational meeting.”

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

09-05DMC

AGENDA ITEM 8

Agenda Subject: “Appointment of At-large Member(s).”

Paul Lipparelli, Assistant District Attorney, informed the Board that state law calls for the Debt Management Commission (DMC) to appoint at-large members. He explained this was on the agenda in the event it was needed, but he did not believe collection of the applications was complete. He suggested the appointment be deferred until the regularly scheduled February meeting.

Acting Chairman Gustin asked what process was being used to find volunteers for the open positions. Mr. Lipparelli stated he thought it was being handled through the normal County process, which included the internet via the County’s website and possibly the newspaper.

Commissioner Breternitz inquired if it would be appropriate for the Cities to use their own techniques to get volunteers. Mr. Lipparelli informed the members that it would be appropriate to try to “cast the widest net.”

09-06DMC

AGENDA ITEM 9

Agenda Subject: “Appointment of GID Representative.”

Commissioner Breternitz stated he was unsure how the process worked regarding the appointment of a General Improvement District (GID) representative. Mr. Lipparelli explained that NRS 350.01.5 dictated the makeup of the DMC. It differed from county to county because of the number of incorporated cities, the number of GID’s and the size of the county. For Washoe County it was mandated to have a GID representative, which then triggered another at-large seat to make a seven-member commission. The Board would consist of one representative from the County, one representative from each of the Cities, one from the School District, one from the GID’s and two at-large members. The Clerk’s Office sent out notice to all seven of the GID’s to make their selection. He reported that of the seven districts only four responded with nominations, which resulted in a tie. Because of that tie, the Clerk’s Office administered the tie-breaking process resulting in Mr. Fuller being appointed, leaving the two at-large vacancies.

Commissioner Martini inquired where they should tell people to mail their applications in the event the Cities solicited applications. Mr. Lipparelli thought it would be sensible to collect all applications in one central point, such as the County Clerk's Office.

09-07DMC AGENDA ITEM 10

Agenda Subject: "Oath of Office for just appointed members."

There were no newly appointed persons to administer the Oath of Office.

09-08DMC AGENDA ITEM 11

Agenda Subject: "Elect Chairman and Vice Chairman."

Acting Chairman Gustin suggested this item be continued to the February meeting. Mr. Lipparelli stated the statute required the election of a Chairperson and a Vice Chairperson at the organizational meeting to be held in February each year, so no motion was necessary.

09-09DMC AGENDA ITEM 12

Agenda Subject: "Approval of the minutes of the November 14, 2008 meeting."

Acting Chairman Gustin noted that since there were three new members on the Board, the minutes should be moved for approval to the next regularly scheduled meeting in February.

09-10DMC AGENDA ITEM 13

Agenda Subject: "Notice of Reno City Council's Resolution No. 7267 - The City's Proposal To Issue General Obligation Capital Improvement Bonds Additionally Secured by Pledged Revenues; Providing Certain Details In Connection Therewith; And Providing The Effective Date Hereof."

Andy Artusa, Managing Director, Nevada State Bank, and Financial Advisor to the City of Reno, Sue Schlerf, Assistant City Manager, Jill Olsen, Interim Finance Director, Lynette Hamilton, Accounting Manager and Kendra Follett, Swendseid and Stern, were present for this item. Mr. Artusa stated the City of Reno was presenting a proposal to issue \$112,085,000 worth of General Obligation Bonds additionally secured with pledged revenues. Those pledged revenues included a room tax levied especially for the downtown Event Center and the Bowling Stadium. He explained the City would use this tax to pay the current outstanding 2008 5A Bonds, which were used to finance the Event Center, Bowling Stadium and other projects. Additionally there was a revenue stream of 15 percent of consolidated tax revenue that was being used to backstop any

shortfalls in room tax, which was also pledged. The 2008 5A Bonds were originally issued as revenue bonds, were insured and did not have a tax against them. Because of the housing crises the bond insurer went from being rated AAA to CCC and as a result of that, the City's bonds were ill received in the market. The City would like to have the General Obligation pledge put on the bonds to make them more marketable.

Mr. Artusa next went over the proposal outlining the criteria which must be met prior to the authorization of debt issuance by the DMC. He noted the indebtedness limit of \$1.2 billion, and reported the City had \$118 million in outstanding debt, leaving significant additional capacity even with this proposal. He reported the bonds would be paid from pledged revenue and there would be no impact to the tax rate or any other local governments from issuing General Obligation Bonds in the future. The City had no intention of getting the General Obligation to pay the bonds and that gave the investors a level of comfort should something happen.

Acting Chairman Gustin stated the City of Reno was going from an auction rate mode to a variable rate demand note. Mr. Artusa stated that was correct and the City was taking the initial step to get out of the auction rate mode because that was associated with the municipal bond insurer. The City received a Letter of Credit from Bank of America to convert the bonds to variable rate demand bonds, which he explained were doing very well. He said the City could not afford to continue to pay the high rates in the auction rate mode, so they were going to convert on February 5th to a variable rated demand bond, which would lower the rate significantly and the revenue stream would not be stressed further by the higher interest rates.

Acting Chairman Gustin informed the Commission that the City's interest payment went up \$125,000 a week because of the increase in the rate and that was why the Letter of Credit was so important and why the City of Reno was coming forward with this proposal.

On motion by Commissioner Martini, seconded by Commissioner Hollinger, which motion duly carried, Acting Chairman Gustin ordered that Agenda Item 13 be approved. The Resolution for same is attached hereto and made a part of the minutes thereof.

09-11DMC

AGENDA ITEM 14

Agenda Subject: "Revision to the City of Reno's listing of projected capital improvement expenditures."

On motion by Commissioner Breternitz, seconded by Commissioner Hollinger, which motion duly carried, Acting Chairman Gustin ordered that Agenda Item 14 be accepted.

09-12DMC AGENDA ITEM 14

Agenda Subject: “Member comments.”

There were no comments from the Board members.

09-13DMC AGENDA ITEM 16

Agenda Subject: “Public Comments.”

There was no response to the call for public comment.

09-14DMC AGENDA ITEM 17

Agenda Subject: “Set new meeting date.”

Assistant District Attorney Lipparelli informed the Board that NRS set the next regularly scheduled meeting to be held in February.

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8:26 A.M. There being no further business to come before the Board, on motion by Commissioner Fuller, seconded by Commissioner Martini, which motion duly carried, it was ordered the meeting be adjourned.

DAN GUSTIN, Acting Chairman,
Debt Management Commission

ATTEST:

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

*Minutes Prepared by
Jaime Delleria, Deputy County Clerk*

RESOLUTION NO.

A RESOLUTION CONCERNING THE SUBMISSION TO THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION OF A PROPOSAL BY THE CITY OF RENO TO ISSUE GENERAL OBLIGATION (LIMITED TAX) CAPITAL IMPROVEMENT BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) IN THE MAXIMUM PRINCIPAL AMOUNT OF \$112,085,000; CONCERNING ACTION TAKEN THEREON BY THE COMMISSION; AND APPROVING CERTAIN DETAILS IN CONNECTION THEREWITH.

WHEREAS, pursuant to Nevada Revised Statutes (“NRS”) 350.011 through 350.0165, the City Council (the “Council”) of the City of Reno (the “City”), Nevada, 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 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 CAPITAL IMPROVEMENT 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 limited tax capital improvement bonds, in one series or more, in the aggregate principal amount of not exceeding \$112,085,000 for the purpose of refunding and paying certain outstanding obligations of the City issued and executed to finance a downtown events center project and a multi-purpose bowling facility, including parking and space for other functions ancillary to such a facility, such bonds to mature commencing not later than five (5) years from the date or respective dates of the bonds and ending not

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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, the Council determined that no increase in the rate of an ad valorem tax is anticipated to be necessary for the payment of the general obligation capital improvement bonds described in the Proposal for the term thereof (the "Finding"); 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 COUNTY, NEVADA:

Section 1. This resolution shall be known as the "2009 City of Reno Capital Improvement Bonds DMC 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 (limited

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tax) capital improvement bonds (additionally secured by pledged revenues) in the maximum principal amount of \$112,085,000 and the Finding by the City are approved.

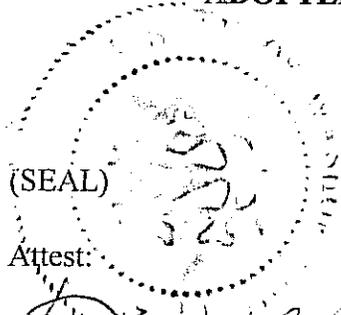
Section 3. The Commission and the officers thereof hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution.

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.

ADOPTED this January 27, 2009.



James L. R. Chip Deary
County Clerk ex officio Secretary
Debt Management Commission

John B. Cook

Chairman
Debt Management Commission

09-10 DMC

- b. Washoe County Courthouse
75 Court Street
Reno, Nevada
- c. Reno City Hall
450 Sinclair Street
Reno, Nevada
- d. Sparks City Hall
431 Prater Way
Sparks, Nevada

is attached as Exhibit A.

5. Prior to 9:00 a.m. at least 3 working days before such meeting, such notice was mailed to each person, if any, who has requested notice of meetings of the Commission in compliance with NRS 241.020(3)(b) by United States Mail, or if feasible and agreed to by the requestor, by electronic mail.

IN WITNESS WHEREOF, I have hereunto set my hand this January 27, 2009.



Darcy L. R. A. Chief Deputy
County Clerk and ex officio Secretary
Debt Management Commission

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EXHIBIT A

(Attach Copy of Notice of Meeting)

09-10-2012