

DEBT MANAGEMENT COMMISSION, WASHOE COUNTY, NEVADA

FRIDAY

3:00 P.M.

AUGUST 17, 2007

PRESENT:

Robert Wolf, Member At Large, Chairman
Jonnie Pullman, Washoe County School District, Vice Chairman
Jim Ainsworth, GID Representative, Commissioner
Dan Gustin, Reno City Council, Commissioner
Richard Pugh, Member At Large, Commissioner

Amy Harvey, County Clerk
Paul Lipparelli, Legal Counsel

ABSENT:

Jim Galloway, Washoe County Commissioner, Commissioner
Geno Martini, Sparks City Mayor, Commissioner

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

07-07DMC AGENDA

In accordance with the Open Meeting Law, on motion by Commissioner Pullman, seconded by Commissioner Gustin, which motion carried on a 5-0 vote with Commissioners Galloway and Martini absent, Chairman Wolf ordered that the agenda for the August 17, 2007 meeting be approved.

PUBLIC COMMENT

There was no response to the call for public comment.

07-08DMC MINUTES

On motion by Commissioner Pullman, seconded by Commissioner Ainsworth, which motion carried on a 4-0 vote with Commissioner Gustin abstaining and Commissioners Galloway and Martini absent, it was ordered that the minutes of the March 16, 2007 meeting be approved.

07-09DMC ESTABLISH PRIORITIES – ESSENTIAL-NONESSENTIAL FACILITIES AND SERVICES

Paul Lipparelli, Deputy District Attorney, explained the Nevada Legislature established that County Debt Management Commissions were responsible for establishing priorities between essential and nonessential facilities and services. He said those priorities could be used when individual proposals for special elective taxes or debt came before the Commission, because the Commission was dealing with a limited resource under the statutory cap. He stated those priorities put the Commission in a position to evaluate competing proposals to determine whether they were essential or nonessential.

Mr. Lipparelli stated the Commission had been fairly general in describing what constituted essential and nonessential facilities and services. He said staff recommended the Commission continue those historical definitions, which had apparently served the Commission well over time.

In response to Chairman Wolf, Mr. Lipparelli said the statutory language indicated facilities and services relating to public safety, education, and health were considered essential and, by definition, everything else was nonessential.

Chairman Wolf clarified those were the three priorities the Commission had to consider first if there were limits in the capacity to authorize debt.

On motion by Commissioner Ainsworth, seconded by Commissioner Gustin, which motion carried on a 5-0 vote with Commissioners Galloway and Martini absent, Chairman Wolf ordered that the Debt Management Commission continue its historical practice with issues related to public safety, health, and education as essential facilities and services, all having priority; and all other facilities and services be established as nonessential.

07-10DMC ESTABLISH PERCENTAGE OF OVERLAPPING TAX RATE AS TRIGGER FOR ADDITIONAL CONSIDERATION OF PUBLIC NEEDS

Paul Lipparelli, Deputy District Attorney, explained this was a mandate from the Legislature for the Commission to establish a threshold percentage, which historically was 90 percent, but had a statutory floor of 75 percent. He stated the threshold percentage was important for triggering when the public need inquiry was available to the Commission, and it allowed the Commission to inquire further into the proposal to determine the public need served by the proposed debt issuance. He indicated that determination became important when several jurisdictions within the Commission's region were proposing debt issuance at the same time and there was not sufficient room for all of the proposals to go forward. He stated it was staff's recommendation that the Commission's threshold remain at 90 percent.

In response to Mr. Ainsworth, John Sherman, Washoe County Finance Director, said the tax rate was different for the City of Reno and the City of Sparks at \$3.64 and \$3.62 respectively. He explained the overlapping tax rate was when everyone's individual rates were added up. He stated it was a moot point unless the Commission wanted to raise the threshold up to 99 or 99.9 percent.

Commissioner Pullman asked if Mr. Sherman could advise the Commission of the impact on the Commission's actions if the Incline Village lawsuit was successful. Mr. Sherman replied entities could raise their tax rates to generate sufficient revenue to make the debt payment. He confirmed that was only for those debts authorized by the voters.

Commissioner Wolf asked if the Legislature did anything to provide more room relative to funding the Washoe County School District's obvious need for funds. Mr. Sherman said they did not provide more room in terms of moving the \$3.64 cap. He clarified that in 2005 the Legislature limited the increase in property tax bills, but included the provision that stated the debt rate could be raised and the people would have to pay the additional tax to make the debt payments if the limit caused an inability to make a debt payment on voter approved debt.

On motion by Commissioner Pullman, seconded by Commissioner Pugh, which motion carried on a 5-0 vote with Commissioners Galloway and Martini absent, Chairman Wolf ordered that the threshold percentage remain at 90 percent for the purposes of NRS 350.0155(1).

**07-11DMC REVIEW AND ACCEPTANCE OF ANNUAL REPORTS FROM
POLITICAL SUBDIVISIONS**

Commissioner Pullman asked if the motion could be to only accept the reports, because she had not had a chance to review them. She indicated there were usually a couple of questions relative to some of the reports, and she asked that an opportunity for the Commissioners to get answers to questions be on the agenda for the next meeting. She suggested if any of the Commissioners had questions, they could let staff know ahead of time so the appropriate entity could be contacted for answers.

On motion by Commissioner Ainsworth, seconded by Commissioner Pullman, which motion duly carried on a 5-0 vote with Commissioners Galloway 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 and that an item be placed on the next DMC agenda to provide an opportunity to have any questions answered regarding the reports:

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
Regional Transportation Commission
City of Reno
Reno Redevelopment Agency
Reno/Sparks Convention and Visitors Authority
City of Sparks
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
Sierra Fire Protection District

07-12DMC SET DATES FOR QUARTERLY MEETINGS FOR 2007/08

On motion by Commissioner Gustin, seconded by Commissioner Pugh, which motion duly carried, Chairman Wolf ordered that the quarterly meeting dates for the Debt Management Commission for 2007/08 be approved as follows with the time remaining at 3:00 p.m.: November 16, 2007, February 8, 2008, May 16, 2008, and August 15, 2008.

MEMBER COMMENTS

Commissioner Pugh commented he had received two agendas with the same date with one showing himself as Chairman. Paul Lipparelli, Deputy District Attorney, replied the critical parts of the posted agenda were all correct, which were the items, date, time, and place.

Chairman Wolf asked if it was planned where the next meeting would be held. Amy Harvey, Washoe County Clerk, believed the renovations on the chambers would be completed in September, but the Commission would be notified of the location.

PUBLIC COMMENTS

There was no response to the call for public comment.

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3:22 p.m. There being no further business to come before the Board, the meeting was adjourned.

ROBERT WOLF, Chairman
Debt Management Commission

ATTEST:

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

*Minutes Prepared by
Jan Frazzetta, Deputy County Clerk*