

DEBT MANAGEMENT COMMISSION, WASHOE COUNTY, NEVADA

FRIDAY

3:00 P.M.

AUGUST 15, 2008

PRESENT:

Jonnie Pullman, Washoe County School District, Chairperson

Robert Wolf, Member At Large, Vice Chairman

James Ainsworth, GID Representative, Commissioner

Geno Martini, Sparks City Mayor, Commissioner

Richard Pugh, Member At Large, Commissioner

Jim Galloway, Washoe County Commissioner

Dan Gustin, Reno City Council, Commissioner

Amy Harvey, County Clerk

Paul Lipparelli, Deputy District Attorney

The Washoe County Debt Management Commission (DMC) convened at 3:01 p.m. in the Washoe County Commissioner's Chambers, Administration Complex, 1001 East Ninth Street, Reno, Nevada, in full conformity with the law, with Chairperson Pullman presiding. Following the Pledge of Allegiance to the flag of our Country, the Clerk called the roll and the Board conducted the following business:

08-14DMC AGENDA ITEM 4 – APPROVAL OF AGENDA

Agenda Subject: “Approval of Agenda.”

Commissioner Martini requested Agenda Item 9 be moved up after Agenda Item 6. Chairperson Pullman said Agenda Item 9 would be moved up as she noted there was no objection to doing so.

On motion by Commissioner Martini, seconded by Commissioner Pugh, which motion duly carried, Chairperson Pullman ordered that Agenda Item 4 be approved.

08-15DMC AGENDA ITEM 5 – PUBLIC COMMENT

Agenda Subject: “Public Comments.”

There was no response to the call for public comment.

08-16DMC AGENDA ITEM 6 – APPROVAL OF MINUTES

Agenda Subject: “Approval of the minutes of the July 10, 2008 meeting.”

Commissioner Galloway said he would be abstaining because he was not at the July 10, 2008 meeting.

On motion by Commissioner Ainsworth, seconded by Commissioner Martini, which motion duly carried with Commissioner Galloway abstaining, Chairperson Pullman ordered that Agenda Item 6 be approved.

08-17DMC AGENDA ITEM 9

Agenda Subject: “Discussion and possible action on a Resolution concerning the submission to the Washoe County Debt Management Commission of a City of Sparks proposal to issue General Obligation Sewer Bonds additionally secured by pledged revenues in the maximum principal amount of \$23,550,000; and approving certain details in connection therewith.”

Marty Johnson, Financial Advisor for the City of Sparks, explained the proposal before the Commission today would allow the City of Sparks to issue up to \$23,550,000 in General Obligation Sewer Bonds for sewer projects within the City.

Mr. Johnson said the bonds were anticipated to be issued in two phases, with the first phase of approximately \$8,750,000 being issued after the first of the year and the remainder tentatively being issued in fiscal year 2010. He stated there would be in excess of \$460 million of debt limit available even after issuing these bonds based on current assessed valuation and the debt limit of 20 percent, so the bonds fit within the City’s debt limit.

Mr. Johnson said the bonds would be repaid from the revenue generated from the City’s sewer system. He noted Page 6 of the Financial Information packet showed the estimated payments and the payments on outstanding bonds. He said the interest rate on the first issue was estimated to be 3.5 percent and the bonds would be sold to the State Revolving Fund (SRF), which provided low interest loans for certain water and sewer projects that qualified. He said the City was assured there was money available for the first issue. He explained both projects actually qualified, but a higher interest rate was assumed for the 2010 issuance of the bonds in the event the SRF would not be able to provide the funding. He stated the estimated annual debt service would top out at just over \$6 million.

Mr. Johnson discussed the Pledged Revenue and Coverage Schedule on Page 7 of the packet. He said in 2011 the coverage was projected to go up to 2.5, but the City could still afford to repay the bonds even if there were no connection charges. He explained the City had enacted a five year rate increase that would go beyond what was shown in the Schedule, and the City would not have to revisit its rate structure until 2013.

Commissioner Galloway asked if that revenue from the increased rates would go into operating revenue or other pledged revenues. Mr. Johnson replied the increased rates would be in the operating revenue. He said the other pledged revenues were primarily interest earnings. Commissioner Galloway stated Mr. Johnson’s comment about repaying the bonds even if there were no connection charges was a possibility and

was in response to a question he had asked prior to the meeting. He noted he wanted it on the record that possibility was considered.

Commissioner Galloway stated he often saw the coverage ratios projected out more than the first three years, and he asked if Mr. Johnson could affirm whether or not the ratios would get better. Mr. Johnson replied they would get better because the maximum annual debt service showing in the second to the last line of the Pledged Revenue and Coverage Schedule on Page 7 was the maximum payment on the bonds in any given year. He stated pledged revenues would continue to increase because of rate increases, but the debt service would not change. Commissioner Galloway commented it would have been nice if there was a note as to why the coverage ratios were only projected out for three years. Commissioner Galloway said he realized the debt service went down as bonds got repaid and paid off, but he just wanted to make sure there was not some year where there could be a problem.

Mr. Johnson advised there would be no impact to the tax rate in the City of Sparks nor would there be any adverse impact on other local governments because the bonds could be repaid by the revenue generated by the Sewer Utility Fund.

Mr. Johnson stated the operating expenses were cash expenses and depreciation was excluded for the purpose of paying the bonds. He said after the bonds were paid, the City would then take some of the available cash flow to fund ongoing depreciation.

Commissioner Galloway said if connection charges in 2010 were zero instead of what was shown in the Pledged Revenue and Coverage Schedule, and he was not suggesting they would be, that would be an almost \$5 million loss; and he did not understand how the maximum annual debt service showed \$6 million if there could be \$5 million less in connection charges. Mr. Johnson said the debt service that could actually be paid in 2010 was just under \$4.4 million. Commissioner Galloway said the difference was between the \$11.6 million in total pledged revenues and the \$4.4 million in total debt service. Mr. Johnson confirmed that was the case. He said that, even if the highest year was taken, the City could afford even that payment today.

On motion by Commissioner Martini, seconded by Commissioner Wolf, which motion duly carried, Chairperson Pullman ordered that Agenda Item 9 be approved. The Resolution for same is attached hereto and made a part of the minutes thereof.

08-18DMC AGENDA ITEM 7

Agenda Subject: “Establish priorities among essential and nonessential facilities and services to serve as the basis for comparison of the public need for certain proposed debt and special elective taxes to other public needs that appear on certain filed statements of current and contemplated debt NRS 350.0155(2).”

Paul Lipparelli, Legal Counsel, said the Debt Management Commission (DMC) was called upon from time-to-time to evaluate the relative need for certain proposals for the issuance of debt. He stated the DMC would rely upon the priorities among essential and non-essential facilities and services it established annually, which was what the Commissioners were called upon to do today. He said those priorities served as the basis to compare proposals if the need arose. He stated in the past the DMC established priorities by parroting the language in the Statute. He recommended the Commission establish priorities in the manner consistent with its prior years' approvals, which would maintain the status quo. He read the recommended motion in the staff report that listed public safety, health, and education facilities and services as being essential and all having priority.

Commissioner Galloway noted the only time this came up was when there were several proposals that would use up the available tax rate and the combined proposals were in excess of that tax rate. He asked if there would ever be a need to consider such a thing as a sewer bond, where there would be no impact at all on the tax rate under this provision of the law. Mr. Lipparelli explained the DMC was not ordinarily permitted to examine the public purpose of a debt proposal. He said its charge was to examine the ability of the proposing entity to repay the debt by examining other debt on the books of that entity along with its available revenues and to make a decision on that basis. However, when a proposal was made that would result in the combined property tax rate of any of the overlapping entities in the County exceeding the specified percentage, it would then be appropriate under State law for the DMC to examine the public need served by the proceeds from the proposed debt in accordance with the established priorities. He said the DMC would then compare the public need and other public needs that appeared on the statements that were filed with the DMC for general obligation debt to resolve how to allocate the remaining pennies of the tax cap.

Chairperson Pullman stated she understood the sewer debt would be classified under health services as an essential service. Commissioner Galloway stated it would if it raised the tax rate.

On motion by Commissioner Martini, seconded by Commissioner Ainsworth, which motion duly carried, Chairperson Pullman ordered that the Washoe County Debt Management Commission establish public safety, health, and education facilities and services as essential, all having priority, and establish other facilities and services as non-essential.

08-19DMC AGENDA ITEM 8

Agenda Subject: "Discussion and action to specify a threshold percentage of the statutory ceiling for the combined property tax rate in any of the overlapping entities within the county which if exceeded permits the Debt Management Commission to inquire into the public need to be served by proposed debt or a special elective tax based on established priorities among essential and non-essential facilities and services and compare that public need to other public needs that

appear on certain filed statements of current and contemplated debt (Pursuant to NRS 350.0155(1) the percentage must not be less than 75 percent).”

Paul Lipparelli, Legal Counsel, explained that statutory authority called upon the Debt Management Commission (DMC) to establish the threshold percentage, which could not be less than 75 percent. He explained a proposal that came in over that threshold would cause the DMC to perform the analysis discussed in Agenda Item 7. He advised the DMC had historically established the percentage as 90, which was the recommendation by John Sherman, Finance Director.

On motion by Commissioner Galloway, seconded by Commissioner Ainsworth, which motion duly carried, Chairperson Pullman ordered that the threshold percentage be set at 90 percent.

08-20DMC AGENDA ITEM 10

Agenda Subject: “Review and accept the following Annual Reports from all Washoe County political subdivisions: a. Indebtedness Reports, b. Debt Management Plans, and c. Capital Improvement Programs.”

Amy Harvey, Washoe County Clerk, explained Grandview Terrace submitted a financial report but did not submit a debt management policy or an indebtedness report. She said the South Truckee Meadows Improvement District’s Debt Management Policy was included with Washoe County’s, and the City of Sparks submitted two Capital Improvement Plans.

Commissioner Wolf asked if Grandview Terrace was contacted to inform them they were remiss in not submitting their report. Ms. Harvey said they were contacted and informed that they had not submitted everything; however, some of the General Improvement Districts and smaller places did not do those kinds of reports. Mr. Lipparelli said it was true some of the smaller political subdivisions did not have Capital Improvement Plans and Policies in the traditional sense, but there would be the opportunity for them to amend their submittals if they identified a future need for debt. He noted it was important that those entities that commonly propose debt submit their annual reports.

On motion by Commissioner Martini, seconded by Commissioner Pugh, which motion duly carried, Chairperson Pullman ordered that Agenda Item 10 be accepted.

08-21DMC AGENDA ITEM 11

Agenda Subject: “Set Dates/Times for Quarterly Meetings for 2008/09. Suggested dates are as follows: Friday, November 14, 2008; Friday, February 6, 2009; Friday, May 15, 2009, and Friday, August 14, 2009.”

On motion by Commissioner Martini, seconded by Commissioner Wolf, which motion duly carried, it was ordered that the suggested meeting dates be approved and set.

08-22DMC AGENDA ITEM 12

Agenda Subject: “Member Comments.”

Commissioner Pugh noted Commissioners Galloway and Ainsworth would be leaving the Debt Management Commission (DMC) at the end of their terms. Chairperson Pullman said there was still one more meeting left in their terms. She said she and Commissioner Pugh would conspire to come up with a special ceremony to celebrate their departure.

Paul Lipparelli, Legal Counsel, indicated this was his last DMC meeting as a new assignment required he shift his assignments around. He said Greg Salter, Deputy District Attorney, would be representing the DMC.

08-23DMC AGENDA ITEM 13

Agenda Subject: “Public Comments.”

There was no response to the call for public comment.

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3:26 p.m. There being no further business to come before the Commission, Chairperson Pullman ordered that the meeting be adjourned.

JONNIE PULLMAN, Chairperson
Debt Management Commission

ATTEST:

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

*Minutes Prepared by
Jan Frazzetta, Deputy County Clerk*

RESOLUTION NO.

A RESOLUTION CONCERNING THE SUBMISSION TO THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION OF A CITY OF SPARKS PROPOSAL TO ISSUE GENERAL OBLIGATION SEWER BONDS ADDITIONALLY SECURED BY PLEDGED REVENUES IN THE MAXIMUM PRINCIPAL AMOUNT OF \$23,450,000; 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 Sparks, 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 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 SEWER BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) PROPOSAL:

Shall the City Council of the City of Sparks, 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 sewer bonds, in one series or more, in the aggregate principal amount of not exceeding \$23,450,000 for the purpose of acquiring, constructing, improving and equipping a sewer project 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

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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 350.0145, 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 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 Council has made a finding 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 sewer bonds and 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 received from the City complete statements of current and contemplated general obligation debt, a debt management policy, a capital improvement 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 "2008 City of Sparks Sewer 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 sewer

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bonds (additionally secured by pledged revenues) in the maximum principal amount of \$23,450,000 by the City and the Finding hereby 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 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.

ADOPTED this August 15, 2008.


Chairman
Debt Management Commission

(SEAL)

Attest:


County Clerk ex officio Secretary
Debt Management Commission

08-17 DMC

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

I, Amy Harvey, the County Clerk of Washoe County, State of Nevada, ex officio Secretary of the Debt Management Commission of Washoe County, State of Nevada, do hereby certify:

1. The foregoing pages are a full and correct copy of a resolution designated as "2008 City of Sparks Sewer Bonds DMC Approval Resolution".

2. At the August 15, 2008 meeting of Debt Management Commission of Washoe County, Nevada, the resolution was passed and adopted. The members of the Commission voted on the passage of the resolution and were present at such meeting as follows:

Those Voting Aye:	James Ainsworth Jim Galloway Dan Gustin Geno Martini Jonnie Pullman Richard G. Pugh Robert Wolf
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Those Voting Nay:	<u>none</u>
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Those Absent:	<u>none</u>
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3. Pursuant to NRS 350.0145, all members of the Commission were given due and proper notice of the meeting. Pursuant to and in full compliance with NRS 241.020, Nevada Revised Statutes, written notice of the meeting was given no later than 9:00 a.m. on the third working day before the meeting including in the notice the time, place, location, and agenda of the meeting:

(a) By posting a copy of the notice not later than 9:00 a.m. on the third working day before the meeting at the Commission's website, if any; the principal office of the Commission; or if there is no principal office, at the building in which

the meeting is to be held; and at least three (3) other separate, prominent places within the jurisdiction of the Commission, to wit:

- (i) Washoe County Administration Complex
1001 East Ninth Street
Reno, Nevada
- (ii) Washoe County Courthouse
Virginia and Court Streets
Reno, Nevada
- (iii) Reno City Hall
450 Sinclair Street
Reno, Nevada
- (iv) Sparks Justice Court
630 Greenbrae Drive
Sparks, Nevada

and

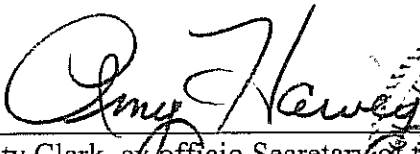
(b) By mailing a copy of the notice to each person, if any, who has requested notice of the meeting of the Commission in accordance with Chapter 241 of NRS.

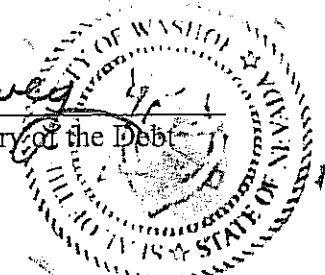
4. Upon request, the Commission provides at no charge, at least one copy of the agenda for its public meetings, any proposed ordinance, resolution or regulation which will be discussed at the public meeting, and any other supporting materials provided to the Commission for an item on the agenda, except for certain confidential materials and materials pertaining to closed meetings, as provided by law.

5. A copy of the notice given of the meeting of the Commission is attached as Exhibit A.

IN WITNESS WHEREOF, I have hereunto set my hand at Reno, Nevada, on this August 15, 2008.

(SEAL)


County Clerk, ex officio Secretary of the Debt
Management Commission



08-17-08

EXHIBIT "A"

(Attach Copy of Notice of Meeting)

08-19-80
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RESOLUTION NO. 3114

A RESOLUTION CONCERNING THE FINANCING OF A SEWER PROJECT; DIRECTING THE CLERK TO NOTIFY THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION OF THE CITY'S PROPOSAL TO BORROW MONEY AND TO ISSUE GENERAL OBLIGATION SEWER BONDS TO EVIDENCE SUCH BORROWING; PROVIDING CERTAIN DETAILS IN CONNECTION THEREWITH; AND PROVIDING THE EFFECTIVE DATE HEREOF.

WHEREAS, the City of Sparks (the "City"), in the State of Nevada (the "State"), was duly organized and is operating as a city under chapter 470, Statutes of Nevada 1975 (the "Charter") and the general laws of the State; and

WHEREAS, pursuant to Section 2.090(8) of the Charter, the City is authorized to establish and maintain a sewer system; and

WHEREAS, pursuant to Section 7.030 of the Charter (the "Project Act"), the City is authorized to borrow money for any corporate purpose and to evidence such borrowing by the issuance of bonds or other securities pursuant to Nevada Revised Statutes ("NRS") 268.672 through 268.740 (the "City Bond Law"), to NRS 350.011 through 350.065 (the "Debt Management Commission Act"), and the Local Government Securities Law (being cited as NRS 350.500 through 350.720) (the "Bond Act"); and

WHEREAS, the City Council (the "Council") proposes to acquire, construct, improve and equip a sewer project (the "Project"); and

WHEREAS, the Council pursuant to NRS 350.020(3) (subject to the approval of the 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 sewer bonds additionally secured by a pledge of the revenues of the sewer system of which the Project is a part (the "Pledged Revenues"); and

WHEREAS, the Council proposes to incur this general obligation 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 to submit to the qualified electors of the City for their approval or disapproval, the following proposal:

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

Shall the City Council of the City of Sparks, 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 sewer bonds, in one series or more, in the aggregate principal amount of not exceeding \$23,550,000 for the purpose of acquiring, constructing, improving and equipping a sewer project 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, the Council hereby determines that the Pledged Revenues will at least equal the amount required in each year for the payment of interest and principal on such general obligation sewer bonds and 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, subsection 1 of NRS 350.014 provides, in relevant part, as follows:

"1. Before any proposal to incur a general obligation debt or levy a special elective tax may be submitted to the electors of a municipality, or before any other formal action may be taken preliminary to the incurrence of any general obligation debt, the proposed incurrence or levy must receive the favorable vote of two-thirds of the members of the commission of the county in which it is situated"

and

WHEREAS, subsection 1 of NRS 350.0145 provides, in relevant part, as follows:

"1. The governing body of the municipality proposing to incur a general obligation debt . . . shall notify the secretary of each appropriate commission, and shall submit a statement of its proposal in sufficient number of copies for each member of the commission. . . ."

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SPARKS, NEVADA:

Section 1. This resolution shall be known and may be cited as the "2008 DMC Notice Resolution".

Section 2. All action, proceedings, matters and things heretofore taken, had and done by the Council, and the officers thereof (not inconsistent with the provisions of this resolution) directed toward the Project and the financing thereof be, and the same hereby is, ratified, approved and confirmed.

Section 3. The City Clerk be, and she hereby is, authorized and directed to notify the Secretary of the Washoe County Debt Management Commission of the City's Proposal and the Finding; to submit to said Secretary a statement of the Proposal in sufficient number of copies for each member of the Commission; and to request that the Commission approve the Proposal and the Finding.

Section 4. The City Finance Director is authorized to amend the statements of current and contemplated debt, the debt management policy and the capital improvement plan of the City in accordance with the provisions of this resolution and NRS 350.013, and file the statement, policy and plan with the State of Nevada Department of Taxation and the Washoe County Debt Management Commission.

Section 5. In order to permit the City to reimburse itself for prior expenditures relating to the Project with the proceeds of bonds, the Council hereby determines and declares as follows:

(a) The City reasonably expects to incur expenditures with respect to the Project prior to the issuance of bonds for financing the Project and to reimburse those expenditures from the issuance of bonds; and

(b) The maximum principal amount of bonds expected to be used to reimburse such expenditures is \$23,550,000.

Section 6. All resolutions, or parts thereof, in conflict with the provisions of this resolution, are hereby repealed to the extent only of such inconsistency. This repealer shall not be constructed to revive any resolution, or part thereof, heretofore repealed.

Section 7. If any section, paragraph, clause or other provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or other provision shall not affect any of the remaining provisions of this resolution.

Section 8. This resolution shall become effective and be in force immediately upon its adoption.

Passed and adopted this July 28, 2008.

(SEAL)



Attest:

Juda K Patterson
City Clerk

Gene R. Martin
Mayor
City of Sparks, Nevada

STATE OF NEVADA)
) ss.
CITY OF SPARKS)

I am the duly chosen and qualified Clerk of the City of Sparks (the "City"), in the State of Nevada, do hereby certify:

1. The foregoing pages are a full and correct copy of a resolution designated as the "2008 DMC Notice Resolution".

2. At the July 28, 2008 meeting of the City Council (the "Council"), the resolution was passed and adopted.

3. The members of the Council voted on the passage of the resolution and were present at the meeting of July 28, 2008 as follows:

Those Voting Aye:

Mike Carrigan
John Mayer
Phillip Salerno
Ron Schmitt
Ron Smith

Those Voting Nay:

None

Those Absent:

None

4. All members of the Council were given due and proper notice of the meeting held on July 28, 2008. Pursuant to and in full compliance with Nevada Revised Statutes ("NRS") 241.020, written notice of the meeting was given no later than 9:00 a.m. on the third working day before the meeting including in the notice the time, place, location, and agenda of the meeting:

(a) By posting a copy of the notice not later than 9:00 a.m. on the third working day before the meeting at the City's website, the principal office of the Council, or if there is no principal office, at the building in which the meeting is to be held, and at least three (3) other separate, prominent places within the jurisdiction of the Council, to wit:

- (i) Sparks Legislative Building
745 4th Street
Sparks, Nevada

- (ii) Sparks Police Department
1701 E. Prater Way
Sparks, Nevada
- (iii) Sparks Recreation Center
98 Richards Way
Sparks, Nevada
- (iv) Alf Sorensen Center
1400 Baring Blvd.
Sparks, Nevada
- (v) Sparks Justice Court
630 Greenbrae Dr.
Sparks, Nevada
- (vi) Sparks Branch Library
1125 12th Street
Sparks, Nevada

and

(b) By mailing a copy of the notice to each person, if any, who has requested notice of the meeting of the Council in accordance with Chapter 241 of NRS.

5. Upon request, the Council provides at no charge, at least one copy of the agenda for its public meetings, any proposed ordinance, resolution or regulation which will be discussed at the public meeting, and any other supporting materials provided to the Council for an item on the agenda, except for certain confidential materials and materials pertaining to closed meetings, as provided by law.

6. A copy of the notice given of the July 28, 2008 meeting of the Council is attached as Exhibit A and the revenue study relating to the resolution is attached as Exhibit B.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City this July 28, 2008.

(SEAL)



City Clerk

EXHIBIT A

(Attach Copy of Notice of Meeting)



REGULAR CITY COUNCIL MEETING AGENDA

3:00 P.M., Monday, July 28, 2008

City Council Chambers

Legislative Building, 745 Fourth Street, Sparks, Nevada

MAYOR
Geno Martini

CITY COUNCIL
John R. Mayer, Ward I
Phillip Salerno, Ward II
Ron Smith, Ward III
Mike Camigan, Ward IV
Ron Schmitt, Ward V

Regular City Council Meeting Agenda - Page 4
Monday, July 28, 2008

6. General Business:

- 6.1 Presentation, discussion and possible direction or approval of Federal, State, Nevada League of Cities and/or Local Legislative Affairs issues
- 6.2 Consideration and possible approval of Resolution No. 3114, pertaining to the presentation to the Washoe County Debt Management Commission (DMC) of the intent of the City of Sparks to issue General Obligation Sewer Bonds
- 6.3 First Reading and possible discussion of Bill No. 2587, PCN07029; a Rezone request from Ruth (Hurd) Sproles to rezone from R1-40 (Single Family Residential) to R3 (Multi-Family Residential) on approximately 8.19 acres generally located south of North McCarran Boulevard between El Rancho Drive and Sullivan Lane

7. Public Hearings and Action Items Unrelated to Planning and Zoning:

- 7.1 Public Hearing, 2nd Reading, consideration and possible approval of Code Amendment Request CA-8-07, a group of ordinances amending sections of the Sparks Municipal Code:

- A: Bill No. 2582, an ordinance amending Section 20.34 (Setback Lines and Yard Requirements) of the Sparks Municipal Code, consolidating information and adding clarifying language where needed to produce a more thorough section of code entitled Building Additions, Attachments and Projections, and providing other matters properly related thereto
- B: Bill No. 2583, an ordinance amending Section 20.37 (Height Limits) of the Sparks Municipal Code, consolidating information and adding clarifying language where needed to produce a more thorough section of code entitled Fences and Other Screening

EXHIBIT B
(Attach Revenue Study)

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Exhibit "B"

City of Sparks, Nevada Sewer Projects (SRF Eligible) Funding Model

Sewer Fund Pledged Revenues

	(actual) Fiscal Year <u>2007</u>	(estimated) Fiscal Year <u>2008</u>	(projected) Fiscal Year <u>2009</u>	(projected) Fiscal Year <u>2010</u>	(projected) Fiscal Year <u>2011</u>
Operating Revenue	14,040,491	17,219,158	19,384,098	20,493,221	22,452,347
Operating Expenses	(11,944,393)	(14,116,549)	(14,532,079)	(15,327,014)	(15,992,891)
Connection Charges	4,100,635	3,393,751	2,997,881	4,496,883	6,912,981
Other Pledged Revenues	1,825,463	1,927,488	2,306,912	1,964,258	2,032,751
Total Pledged Revenues	8,022,196	8,423,848	10,156,812	11,627,348	15,405,188
Outstanding Debt Service	2,888,212	3,474,430	4,097,882	4,097,882	4,097,882
Proposed Debt Service			0	271,104	1,170,750
Total Debt Service	2,888,212	3,474,430	4,097,882	4,368,986	5,268,632
Maximum Annual Debt Service Coverage			6,070,132 1.67	6,070,132 1.92	6,070,132 2.54