

**WASHOE COUNTY DEBT MANAGEMENT COMMISSION
ANNUAL MEETING**

FRIDAY

3:00 P.M.

AUGUST 13, 2010

PRESENT:

Dan Gustin, Reno City Council, Chairman
James Hunting, Member At Large, Vice Chairman
Ted Fuller, GID Representative, Incline Village, Commissioner
Geno Martini, Sparks City Mayor, Commissioner
John Breternitz, Washoe County Commissioner, Commissioner

Jaime Dellera, Deputy County Clerk
Paul Lipparelli, Assistant District Attorney

ABSENT:

Nancy Hollinger, Washoe County School District, Commissioner
Michelle Salazar, Member At Large, Commissioner

The Washoe County Debt Management Commission (DMC) met at 3:00 p.m. in the Washoe County Caucus Room, Administration Complex, 1001 East Ninth Street, Reno, Nevada, in full conformity with the law, with 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:

10-014DMC AGENDA ITEM 4

Agenda Subject: **“Public Comments”**

There was no response to the call for public comment.

10-015DMC AGENDA ITEM 5

Agenda Subject: **“Approval of the minutes of the March 26, 2010 meeting.”**

On motion by Commissioner Fuller, seconded by Commissioner Hunting, which motion duly carried with Commissioners Hollinger and Salazar absent, it was ordered that Agenda Item 5 be approved.

10-016DMC AGENDA ITEM 6

Agenda Subject: **“Discussion and action to establish priorities among essential and nonessential facilities and services pursuant to NRS 350.0155(2) that shall be**

considered by the Debt Management Commission if the statutory ceiling established by the Debt Management Commission for the combined tax rate in any of the overlapping entities within the county is exceeded by a proposed debt or a special elective tax and compare that public need to other public needs that appear on certain filed statements of current and contemplated debt.”

John Sherman, Washoe County Finance Director, commented State law regulated how this Board would establish priorities among essential and nonessential facilities and services when entertaining proposals to the extent that they would not go over the statutory tax cap rate of \$3.64. If a project was presented close to that cap, then this Board would look at the merits of the project.

On motion by Commissioner Fuller, seconded by Commissioner Breternitz, which motion duly carried with Commissioners Hollinger and Salazar absent, it was ordered that Agenda Item 6 be approved.

10-017DMC AGENDA ITEM 7

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 nonessential 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).”

John Sherman, Washoe County Finance Director, stated it was recommended to keep the statutory ceiling at 90 percent. Commissioner Fuller confirmed \$3.2760 represented 90 percent of the \$3.64 tax cap rate. Chairman Gustin stated that was correct.

On motion by Commissioner Hunting, seconded by Commissioner Fuller, which motion duly carried with Commissioners Hollinger and Salazar absent, it was ordered that Agenda Item 7 be approved.

10-018DMC AGENDA ITEM 8

Agenda Subject: “Review and accept the following Annual Reports from all Washoe County political subdivisions:”

- A. Indebtedness Reports
- B. Debt Management Plans
- C. Capital Improvement Programs

Airport Authority:	Letter showing no outstanding debt
Carson-Truckee Water Conservancy District:	A, C
Gerlach General Improvement District:	A, C
Grandview Terrace Water District:	A
Incline Village General Improvement District:	B
North Lake Tahoe Fire Protection District:	A, B, C
Regional Transportation Commission:	A, B, C
Reno, City of:	A, B, C
Reno Redevelopment Agency:	A
Reno/Sparks Convention & Visitors Authority:	A, B, C
Sierra Fire Protection District:	A, B, C
S. Truckee Meadows Gen. Improvement Dist:	A, C
Sparks, City of:	A, B, C
Sparks Redevelopment Agency Area 1:	A, C
Sparks Redevelopment Agency Area 2:	A, C
Sun Valley General Improvement District:	A, C
Truckee Meadows Fire Protection District:	A, C
Truckee Meadows Water Authority:	A, B, C
Verdi Television District:	A
Washoe County:	A, B, C
Washoe County School District:	A, B, C

Chairman Gustin noted for the record that Palomino Valley General Improvement District (GID) had not submitted their report before the meeting. Commissioner Fuller inquired if there were any penalties associated with an entity not submitting their reports on time. Paul Lipparelli, Legal Counsel, indicated it was a requirement, however there were no penalties. He explained that it would be a problem if sometime during the year they proposed debt, because absence of their report could hinder the Board's ability to evaluate their capability to repay that debt.

Commissioner Fuller inquired if the Washoe County Debt Management Commission was the responsible party to receive all of the reports. John Sherman, Washoe County Finance Director, stated the State Department of Taxation also was required to receive all of these reports. He stated this material was submitted to this Board to approve debt issuance. The State Department of Taxation was the fiscal oversight agency.

On motion by Commissioner Fuller, seconded by Commissioner Martini, which motion duly carried with Commissioners Hollinger and Salazar absent, it was ordered that Agenda Item 8 be accepted.

10-019DMC

AGENDA ITEM 9

Agenda Subject: “Discussion and possible action on a Resolution concerning the submission to the Washoe County Debt Management Commission by Washoe County School District, Nevada, of a proposal to issue general obligations in the maximum principal amount of \$5,419,000; and approving certain details in connection therewith.”

Marty Johnson, JNA Consultants, stated the School District was looking for approval to issue qualified school construction bonds in the amount of \$5,419,000, which was through a program that was part of the stimulus bill. The bonds had to be issued by the end of December 2010 in order to be issued at all and receive approximately 80 percent to 90 percent of the interest subsidized by the federal government. The net rate the School District expected to pay was approximately 1 percent for the 17 year bonds. He said they were planning on issuing the bonds as part of the rollover authorization received from the voters in 2002. He said this fit within the debt limit of the School District and the property tax revenues would be sufficient to repay not only these bonds but all of their outstanding bonds.

Commissioner Fuller asked Mr. Johnson to confirm that out of the \$13 million allocated to the State, only \$5,419,000 was available. Mr. Johnson stated that was correct.

On motion by Commissioner Martini, seconded by Commissioner Breternitz, which motion duly carried with Commissioners Hollinger and Salazar absent, it was ordered that Agenda Item 9 be approved. The Resolution is attached hereto and made a part hereof.

10-020DMC

AGENDA ITEM 10

Agenda Subject: “Certificate of Superintendent and Financial Advisor’s report, Series 2010A Taxable Recovery Zone Economic Development Bonds (\$10,515,000), Series 2010B General Obligation Refunding Bonds (\$13,700,000), Series 2010D School Improvement Bonds (\$3,550,000).”

On motion by Commissioner Breternitz, seconded by Commissioner Hunting, which motion duly carried with Commissioners Hollinger and Salazar absent, it was ordered that Agenda Item 10 be approved.

10-021DMC

AGENDA ITEM 11

Agenda Subject: “Set Dates/Times for Quarterly Meetings for 2010/11. Suggested dates are as follows.”

Friday, November 12, 2010
Friday, February 4, 2011
Friday, May 13, 2011
Friday, August 12, 2011

On motion by Commissioner Breternitz seconded by Commissioner Martini, which motion duly carried with Commissioners Hollinger and Salazar absent, it was ordered that Agenda Item 11 be approved for the suggested dates with a new starting time of 11:00 a.m.

10-022DMC AGENDA ITEM 12

Agenda Subject: “Member comments.”

Commissioner Fuller commented about the proposed shared services between the Cities and the County and what might change with regard to the responsibilities of this Board. Commissioner Breternitz stated the ballot question to the citizens would be if they wanted officials to examine and study the benefits of consolidation. He noted if the ballot question passed and the entities decided to move forward with a study, it would take a few years to complete. He offered to speak with Commissioner Fuller in more detail about the process and suggested to put this discussion on the November agenda.

Commissioner Breternitz stated he was concerned about the affect on the School District and their bonding capability if there was a judgment regarding the Incline Village property tax repayment case. He stated the School District received a large portion of the property tax revenue and he wondered if it would affect their ability to repay the bonds. Paul Lipparelli, Legal Counsel, stated there would be an impact on their finances and their future revenue.

Commissioner Hunting suggested the Board ask the School District to see if they did an analysis and risk assessment regarding the possible effect. Commissioner Martini remarked this Board may not have the authority to do anything. Mr. Lipparelli stated that was correct, other than the Board could help them with restructuring. Commissioner Fuller stated Washoe County would be in the same trouble if there was a judgment.

10-023DMC AGENDA ITEM 13

Agenda Subject: “Public Comments”

There was no response to the call for public comment.

3:25 p.m. On motion by Commissioner Martini, seconded by Commissioner Breternitz, which motion duly carried with Commissioners Hollinger and Salazar absent, it was ordered that the meeting be adjourned.

DAN GUSTIN, 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

A RESOLUTION CONCERNING THE SUBMISSION TO THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION BY WASHOE COUNTY SCHOOL DISTRICT, NEVADA, OF A PROPOSAL TO ISSUE GENERAL OBLIGATIONS; CONCERNING ACTION TAKEN THEREON BY THE COMMISSION; AND APPROVING CERTAIN DETAILS IN CONNECTION THEREWITH.

WHEREAS, pursuant to Nevada Revised Statutes ("NRS") 350.011 through 350.165, the Board of Trustees (the "Board") of the Washoe County School District, Nevada (the "District"), notified the secretary of the Debt Management Commission of Washoe County (the "Secretary" and the "Commission," respectively) of the District's proposal to issue general obligations and submitted a statement of the District's proposal in sufficient number of copies for each member of the Commission; and

WHEREAS, the Board has submitted the following question to the qualified electors of the District at the November 5, 2002 general election and the qualified electors approved the following question at such election:

WASHOE COUNTY SCHOOL DISTRICT BOND QUESTION:

Shall the Washoe County School District be authorized to issue general obligation school bonds to finance the acquisition, construction, improvement and equipping of school facilities? District projections at the time the bonds are issued must indicate that issuance of the bonds will not result in an increase of the existing school bond property tax rate of 38.85 cents (\$0.3885) per \$100 of assessed value. If approved, this authorization will expire November 5, 2012.

(the "Question"); and

WHEREAS, pursuant to Nevada Revised Statutes ("NRS") 350.014(1) and NRS 350.020(4), the Board proposes to incur general obligation debt (subject to the approval of the Washoe County Debt Management Commission) in accordance with the Question approved by the qualified electors of the District and the following proposal:

GENERAL OBLIGATION SCHOOL BOND PROPOSAL:

Shall the Board of Trustees of the Washoe County School District, Nevada, be authorized to incur a general obligation indebtedness on behalf of the District by the issuance at one time, or from time to time, of the District's general obligation school bonds, in one series or more, in the maximum aggregate principal amount of \$5,419,000 for the constructing, expanding, improving and equipping school facilities within the District until November 5, 2012 by constructing or purchasing new buildings for schools, enlarging, remodeling, replacing or repairing existing buildings or grounds, acquiring sites for building schools or additional real property for necessary purposes related to schools, and purchasing necessary furniture and equipment for schools, 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, and to be issued on or before November 5, 2012 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 Board of Trustees 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 more than twenty days thereafter, and provided a copy of each 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 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 "2010 Washoe County School District Approval Resolution."

Section 2. The provisions of NRS 350.013 to 350.0165, and 350.020(4) have been met, and therefore the Proposal for the issuance of general obligation school bonds proposed by the District 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.

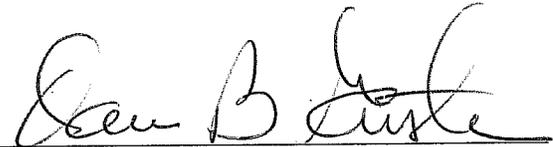
Section 5. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity of unenforceability of the section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 6. This resolution shall become effective and be in force immediately upon its adoption.

ADOPTED this August 13, 2010.

(SEAL)
Affiant

Secretary, Debt Management Commission


Chairman
Debt Management Commission

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 "2010 Washoe County School District Approval Resolution".

2. At the August 13, 2010 meeting of the 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:	John Breternitz Ted Fuller Dan Gustin Nancy Hollinger James Hunting Gene Martini Michelle Salazar
Those Voting Nay:	None Nancy Hollinger
Those Absent:	<u>Nancy Hollinger</u> <u>Michelle Salazar</u>

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, 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 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

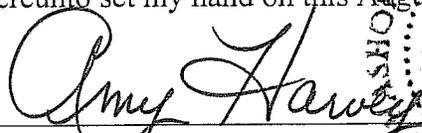
and

(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 the provisions of 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 on this August 13, 2010.


County Clerk, ex officio Secretary of the Debt
Management Commission

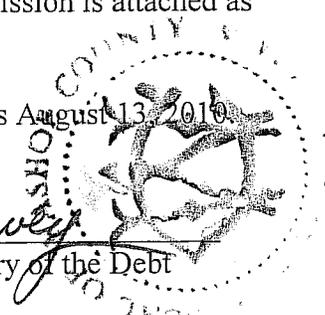


Exhibit A

(Attach Copy of Notice of Meeting)

DEBT MANAGEMENT COMMISSION

Dan Gustin, Chairperson
James Hunting, Vice Chairman
John Breternitz
Nancy Hollinger
Geno Martini
Ted Fuller
Michelle Salazar

COUNTY CLERK

Amy Harvey

**DEPUTY DISTRICT
ATTORNEY**

Paul Lipparelli

**AGENDA
WASHOE COUNTY DEBT MANAGEMENT COMMISSION
ANNUAL MEETING**

**WASHOE COUNTY ADMINISTRATION COMPLEX
CAUCUSS ROOM, 1001 E. 9TH STREET
RENO, NEVADA**

FRIDAY, AUGUST 13, 2010, 3:00 P.M.

- ** 1. Call to Order.
- ** 2. Salute to the Flag.
- ** 3. Roll Call.
4. Public Comments.
5. Approval of the minutes of the March 26, 2010 meeting.
6. Discussion and action to establish priorities among essential and nonessential facilities and services pursuant to NRS 350.0155(2) that shall be considered by the Debt Management Commission if the statutory ceiling established by the Debt Management Commission for the combined tax rate in any of the overlapping entities within the county is exceeded by a proposed debt or a special elective tax and compare that public need to other public needs that appear on certain filed statements of current and contemplated debt.
7. 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).

8. Review and accept the following Annual Reports from all Washoe County political subdivisions:
 - a. Indebtedness Reports
 - b. Debt Management Plans
 - c. Capital Improvement Programs
9. Discussion and possible action on a Resolution concerning the submission to the Washoe County Debt Management Commission by Washoe County School District, Nevada, of a proposal to issue general obligations in the maximum principal amount of \$5,419,000; and approving certain details in connection therewith.
10. Certificate of Superintendent and Financial Advisor's report, Series 2010A Taxable Recovery Zone Economic Development Bonds (\$10,515,000), Series 2010B General Obligation Refunding Bonds (\$13,700,000), Series 2010D School Improvement Bonds (\$3,550,000).
11. Set Dates/Times for Quarterly Meetings for 2010/11. Suggested dates are as follows:
 - Friday, November 12, 2010
 - Friday, February 4, 2011
 - Friday, May 13, 2011
 - Friday, August 12, 2011
- ** 12. Member comments.
- ** 13. Public Comments.
14. Adjournment.

** ***These are non-action items***

In accordance with NRS, this agenda for August 13, 2010, will be posted at the following places:

Washoe County Courthouse, 75 Court Street, Reno, Nevada
Washoe County Admin. Building, 1001 East 9th Street, Reno, Nevada
City Hall, City of Sparks, 431 Prater Way, Sparks, Nevada
City Hall, City of Reno, 450 Sinclair Street, Reno, Nevada
www.washoecounty.us