

**WASHOE COUNTY DEBT MANAGEMENT COMMISSION
ORGANIZATIONAL MEETING**

THURSDAY

1:00 P.M.

FEBRUARY 7, 2013

PRESENT:

Michelle Salazar, At-Large, Member, Chairperson
Neoma Jardon, Reno City Council, Member, Vice Chairperson
Geno Martini, Sparks City Mayor, Member, Acting Chairperson
Dave Aiazzi, Washoe County School District, Member *
Sandra Ainsworth, GID Representative, Sun Valley, Member
Marsha Berkbigler, Washoe County Commissioner, Chairman
Thomas Cornell, At-Large, Member,

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

ABSENT:

The Washoe County Debt Management Commission met at 1:13 p.m. in the Washoe County Caucus Room, Administration Complex, 1001 East Ninth Street, Reno, Nevada, in full conformity with the law, with Member Martini and Chairperson Salazar presiding. Following the Pledge of Allegiance to the flag of our Country, Chief Deputy Clerk Parent called the roll and the Board conducted the following business:

13-01DMC AGENDA ITEM 4

Agenda Subject: "Public Comments."

There was no response to the call for public comment.

13-02DMC AGENDA ITEM 5

Agenda Subject: "Acknowledge election of General Improvement District (GID) representative."

Paul Lipparelli, Legal Counsel, stated the Board had been given copies of the ballots submitted to each General Improvement District (GID). He said four ballots were returned out of the seven GID's. He noted there was a plurality vote from among those four returned; indicating the appointment of Sandra Ainsworth, Sun Valley GID representative.

1:15 p.m. Member Aiazzi arrived.

Mr. Lipparelli informed the Board there were also three new members to the Board and directed the Clerk to also administer the oath to Member Jardon, Member Aiazzi and Member Berkbigler.

Nancy Parent, Chief Deputy Clerk, administered the Oath of Office to Sandra Ainsworth, Marsha Berkbigler, Neoma Jardon and Dave Aiazzi.

13-03DMC AGENDA ITEM 6

Agenda Subject: "Appointment of At-Large Members."

Paul Lipparelli, Legal Counsel, stated under NRS 350.0115 representatives of the public at-large were chosen by the other members of the Commission. He noted three applications were received along with an acknowledgement from the past two At-Large members, Michelle Salazar and James Hunting, of their interest in being appointed.

Acting Chairperson Martini asked the applicants present to come before the Board and give a brief summary of their qualifications. Thomas Cornell gave a description of his qualifications and past working and military experience. Michelle Salazar stated she had been on the Debt Management Commission (DMC) since 2009 and had been the Chairperson for the last two years. James Hunting gave a brief description of his qualifications and stated he had been on the DMC since 2009 and had been serving as the Vice Chairperson for the last two years.

Acting Chairperson Martini stated two other applicants; Barry Myers and David Schaper were not present.

On motion by Member Jardon, seconded by Member Berkbigler, which motion duly carried, it was ordered that Michelle Salazar be appointed as an At-Large Member.

Member Berkbigler stated she felt Mr. Cornell would bring a broad based perspective of financial issues to the DMC, based on his knowledge of finances from around the world. Member Jardon asked Mr. Cornell to expand on the activities surrounding his business. Mr. Cornell stated his business was founded in 1995, and he acted as a private investor and did not do any business with the public.

On motion by Member Berkbigler, seconded by Member Aiazzi, which motion duly carried, it was ordered that Thomas Cornell be appointed as an At-Large Member.

13-04DMC AGENDA ITEM 7

Agenda Subject: "Oath of Office for appointed GID representative and At-Large Members."

Nancy Parent, Chief Deputy Clerk, administered the Oath of Office to Michelle Salazar and Thomas Cornell, as At-Large members.

13-05DMC

AGENDA ITEM 8

On motion by Member Aiazzi, seconded by Member Berkbigler, which motion duly carried, it was ordered that Member Salazar be selected as Chairperson.

** Chairperson Salazar assumed the gavel.

On motion by Member Berkbigler, seconded by Member Martini, which motion duly carried, it was ordered that Member Jardon be selected as the Vice Chairperson.

13-06DMC

AGENDA ITEM 9

Agenda Subject: "Approval of the minutes of the August 10, 2012 meeting."

On motion by Member Martini, seconded by Member Berkbigler, which motion duly carried, it was ordered that Agenda Item 9 be approved.

13-07DMC

AGENDA ITEM 11

Agenda Subject: "Review and accept Amendment to the City of Reno's Debt Management Policy, dated June 30, 2012 and Amended Five Year Capital Improvement Plan."

Paul Lipparelli, Legal Counsel, explained that State law required municipalities that were part of the County and had the ability to issue debt to submit certain reports and plans annually. He said there were also opportunities given to those entities to submit amendments to those plans at other times. He stated this was a proposal from the City of Reno to amend their Five Year Capital Improvement Plan (CIP) and their Debt Management Policy (DMP).

Member Aiazzi questioned the June 30, 2012 date and wondered why this was coming before the Debt Management Commission (DMC) now.

Andrew Artusa, Zions Bank and Public Financial Advisor to the City of Reno, stated the amendment was required as part of the request for the DMC to consider the proposed issuance of debt. He explained the most recent DMP and CIP were as of June 30, 2012 and at that time this proposal was not envisioned.

Member Aiazzi asked if this would refinance the current debt. Mr. Artusa stated that was correct. Member Aiazzi asked if the City of Reno would be saving money by doing this. Mr. Artusa confirmed that the lower interest rate would be cost effective and would save approximately \$450,000 a year.

On motion by Member Martini, seconded by Member Berkbigler, which motion duly carried, it was ordered Agenda Item 11 be accepted.

Agenda Subject: “Discussion and possible action on a Resolution concerning the submission to the Washoe County Debt Management Commission by the City of Reno, of a proposal to issue up to \$39,000,000 of General Obligation (Limited Tax) Capital Improvement Bonds, additionally secured by pledged revenues; and approving certain details in connection therewith.”

Andrew Artusa, Zions Bank and Public Financial Advisor to the City of Reno, stated he prepared a summary and statutory criteria for the Board and noted the City of Reno would not exceed their debt limit with the proposed bonds. He reported there would be no impact on the tax rate in Washoe County. The City of Reno was attempting to get the best interest rate in the market and realize the most savings. He reviewed the sufficiency of pledged revenues as illustrated on page 11 of his presentation. He stated the bonds would be paid from room taxes in Washoe County as well as consolidated tax revenues. He noted only 15 percent of consolidated tax revenues were allowed to be pledged to a bonded holder under Nevada law.

Mr. Artus stated page 10 of his presentation represented the debt service on the outstanding bonds payable from the Consolidated Tax Revenues. He stated the total pledged revenue for the bond issue was approximately \$10.1 million. He noted the City of Reno had three other bond issues that were also supported by pledged revenues. He said if the City of Reno was to issue the bonds today the rate would drop to 3.1 percent and save over \$400,000 per year over the life of the bonds.

Chairperson Salazar stated Mr. Artusa’s report showed in 2013 they budgeted the room tax revenue and then assumed no growth from that point forward. Mr. Artusa stated that was correct. Chairperson Salazar asked how the 5.1 was reached.

Robert Chisel, City of Reno, stated they worked with the Reno-Sparks Convention and Visitors Authority (RSCVA) to come up with the projections. Member Aiazzi stated room tax revenues appeared to be going down, but now RSCVA was projecting an 8 percent increase. He wondered what would create the increase. Mr. Chisel stated he believed RCVA’s projections were coming true since the Safari Club and the men’s bowling had returned. Member Aiazzi asked if this was being funded by a special room tax. Mr. Chisel stated it was not. Member Aiazzi asked if the law would stay in affect so it would get funded. Mr. Chisel stated that was correct. Member Aiazzi thought it was until it got paid off. Mr. Chisel stated paid off or refunded. He said they were not extending the bonds beyond their original term and they were not taking any money out; only refinancing existing bonds.

On motion by Member Jardon, seconded by Member Martini, which motion duly carried, it was ordered Agenda Item 10 be approved. The Resolution is attached hereto and made a part of the minutes thereof.

13-09DMC

AGENDA ITEM 12

Agenda Subject: “Review and accept a corrected FY 2011-2012 Indebtedness Report from the Gerlach General Improvement District.”

On motion by Member Aiazzi, seconded by Member Martini, which motion duly carried, it was ordered that Agenda Item 12 be accepted.

13-10DMC

AGENDA ITEM 13

Agenda Subject: “Review and accept an update to the Washoe County Debt Management Policy dated June 30, 2012.”

On motion by Member Aiazzi, seconded by Member Berkbigler, which motion duly carried, it was ordered that Agenda Item 13 be accepted.

13-11DMC

AGENDA ITEM 14

Agenda Subject: “Member Comments.”

There were no Member comments.

13-12DMC

AGENDA ITEM 15

Agenda Subject: “Public Comments.”

There was no response to the call for public comment.

ADJOURNMENT

1:45 p.m. There being no further business to come before the Board, the meeting was adjourned without opposition.

Michelle Salazar, Chairperson,
Debt Management Commission

ATTEST:

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

*Minutes Prepared by
Jaime Delleria, Deputy County Clerk*

February 7, 2013

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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 \$39,000,000; 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 (LIMITED TAX) 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 capital improvement bonds, in one series or more, in the aggregate principal amount of not exceeding \$39,000,000 for the purpose of refunding outstanding obligations of the City issued 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 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 "2013 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

tax) capital improvement bonds (additionally secured by pledged revenues) in the maximum principal amount of \$39,000,000 and the Finding by the City are approved.

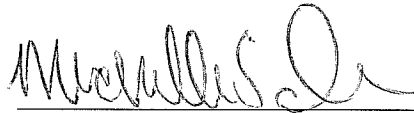
Section 3. The Commission and the officers thereof hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution.

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 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 February 7, 2013.



Chairman
Debt Management Commission

(SEAL)

Attest:



ancy L. P. A. Chief Deputy
County Clerk ex officio Secretary
Debt Management Commission

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

I am the County Clerk of Washoe County (the "County"), Nevada, and ex officio Secretary of the Debt Management Commission of the County (the "Commission") and do hereby certify:

1. The foregoing pages constitute a true, correct, complete and compared copy of a resolution of the Commission adopted on February 7, 2013 and designated as the "2013 City of Reno Capital Improvement Bonds DMC Resolution."

2. All members of the Commission were given due and proper notice of such meeting, and voted on the resolution as follows:

| | |
|-------------------|--------------------------|
| Those Voting Aye: | <u>Michelle Salazar</u> |
| | <u>Neoma Jordan</u> |
| | <u>Geno Martini</u> |
| | <u>Dino Giuzzi</u> |
| | <u>Sandra Gainsworth</u> |
| | <u>Marsha Beakbisher</u> |
| | <u>Thomas Cornell</u> |
| Those Voting Nay: | <u>None</u> |
| Those Absent: | <u>None</u> |

3. Pursuant to NRS 350.0145, all members of the Commission were given due and proper notice of the meeting and notice was mailed to the chief financial officer of each municipality in the County which has complied with subsection 1 of NRS 350.013 within the past year.

4. Public notice of the meeting was given and such meeting was held and conducted in full compliance with the provisions of NRS 241.020. A copy of the notice of meeting and excerpt from the agenda for the meeting relating to the resolution, as posted by 9:00 a.m. at least 3 working days in advance of the meeting on the Commission's website and at:

- a. Washoe County Administration Complex
1001 East 9th Street
Reno, Nevada

- 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 February 7, 2013.

(SEAL)

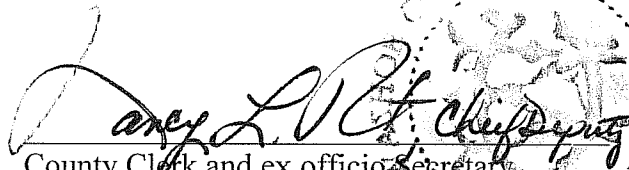

County Clerk and ex officio Secretary
Debt Management Commission

EXHIBIT A

(Attach Copy of Notice of Meeting)