WASHOE COUNTY DEBT MANAGEMENT COMMISSION

QUARTERLY MEETING

FRIDAY 10:00 A.M. JUNE 17, 2022

PRESENT:

Naomi Duerr, Reno City Council, Chair
John Sherman, At-Large Member, Vice-Chair (via Zoom)
Sandra Ainsworth, GID Representative, Member
Jeanne Herman, Washoe County Commissioner, Member
Diane Nicolet, Washoe County School District, Member
Michelle Salazar, At-Large Member (via Zoom)

Janis Galassini, County Clerk
Jennifer Gustafson, Deputy District Attorney

ABSENT:

Dian VanderWell, Sparks City Council, Member

The Washoe County Debt Management Commission met in regular session at 10:03 a.m. in the Washoe County Caucus Room, Administration Complex, 1001 East Ninth Street, Reno, Nevada, and via the Zoom application in full conformity with the law, with Chair Duerr presiding. Following the County Clerk's call of the roll and the Pledge of Allegiance to the flag of our Country, the Board conducted the following business:

22-018D **AGENDA ITEM 3** Public Comment.

There was no response to the call for public comment.

22-019D **AGENDA ITEM 4** Approval of the minutes for the DMC meeting of March 11, 2022. Commission members may identify any additions or corrections to the draft minutes as transcribed.

There was no response to the call for public comment.

On motion by Member Ainsworth, seconded by Member Herman, which motion duly carried on a 6-0 vote with Member VanderWell absent, it was ordered that Agenda Item 4 be approved.

22-020D **AGENDA ITEM 5** Appearance by Washoe County School District Chief Financial Officer Mark Mathers and presentation of the district's debt position.

Washoe County School District (WCSD) Chief Financial Officer Mark Mathers conducted a PowerPoint presentation, a copy of which was placed on file with the Clerk. He reviewed slides with the following titles: Summary of Washoe County School District Debt; Types of Debt; Outstanding & Proposed Debt; Rollover Bonds (2 slides); Proposed Rollover Bond

Issuance; Rollover Bonds (2 slides); Sales Tax-Pledged Bonds (2 slides); WC-1 Sales Tax Revenues; Sales Tax-Pledged Bonds (2 slides); Medium-Term Bonds (3 slides); General Obligation/Statutory Debt Limit; G.O. Debt Comparison (2 slides); Debt-Financed Capital Facilities; Outlook Through 2027; Questions?

Mr. Mathers shared that the WCSD operated under different statutory provisions for its debt than Washoe County or the Cities of Reno and Sparks. He stated the district had two types of long-term debt, general obligation (GO) bonds and WC-1 bonds. GO bonds, he said, were pledged through property tax and were called rollover bonds in the State of Nevada because the authorization for that debt tended to roll over every ten years. He observed the WCSD had a fixed debt rate for its GO bonds. He spoke about the WC-1 bonds, noting the Legislature held a special vote in November of 2016 to authorize an increase of 5.4 percent to the County's sales tax rate, which was dedicated to school district facilities. He informed that the WC-1 bonds were also GO bonds, but they were pledged by sales tax and backed by property taxes. He mentioned the district also had a third type of debt referred to as medium-term notes which had a term of fewer than ten years.

Regarding the breakout of the WCSD's outstanding debt, Mr. Mathers remarked the WC-1 bonds were slightly higher than the rollover bonds as of June 30, 2021, but that would change with the issuance of the proposed bonds. As of June 30, 2021, the district had $524 million of outstanding rollover bonds, $591 million of outstanding WC-1 bonds, and $6.1 million of outstanding medium-term notes. The total debt was around $1.1 billion, which Mr. Mathers acknowledged was significant. He informed that the WCSD was requesting authorization for an additional $298.5 million in rollover bonds.

Mr. Mathers spoke about rollover bonds, noting the GO bonds were secured by the full faith and credit of the district. He said the debt service on the bonds was payable through a portion of the property tax rate, which was $0.3885 cents per $100 of assessed valuation. It showed on an individual tax bill as school district debt and had a fixed rate until 2035. He observed the Legislature reauthorized the extension of the WCSD's ability to issue bonds, stating it was going to expire in 2025 but had been extended to 2035. He asserted the tax rate would generate a little over $76 million in the coming fiscal year. The property tax revenues were collected by the Washoe County Treasurer, then transmitted to the WCSD where they were held in a debt service fund. He informed the district could now use those proceeds for debt service and pay-as-you-go projects, noting that was a change the Legislature made a while back. He stated the WCSD was confined to using the proceeds for the following types of projects: new buildings; enlarging, remodeling, or repairing existing buildings; land acquisition; equipment, which included fleet, furniture, and fixtures.

Mr. Mathers reiterated the WCSD would present a proposal to issue just under $300 million in rollover bonds that would be split between the next two fiscal years. He shared that $103 million of the bonds would be issued in FY 2023, and the remainder would be issued in FY 2024. He asserted the district had faced a serious crisis before 2016 with overcrowding in schools. Due to the passage of the sales tax rate in November of 2016, the WCSD built seven new schools. He believed the district had largely addressed its overcrowding needs but still saw growth. To address that growth, the WCSD was in the construction phase for a new school in the Damonte Ranch area and would continue to address growth in the areas where it occurred. He observed the school district was now pivoting to address existing schools in its core areas. He said the WCSD always had an annual cap on its renewal plan and was now doubling the size of that plan. He remarked that the annual capital renewal plan funded projects such as roofing, air conditioning systems, boilers, chillers, fire alarm systems, flooring, and IT infrastructure within the schools. The district wanted to pivot towards more intensive remodeling, repair, and replacement of existing schools within its core areas. He spoke about O'Brien Middle School in the North Valleys, noting it was the first school to receive a massive remodel. He stated the WCSD was going to expand O'Brien Middle School but found it was more cost-effective to demolish it and construct a whole new school based on modern building standards and education specifications. The WCSD felt O'Brien Middle School had reached functional obsolescence and thought it was best to replace it with a new school. He said the construction was almost complete, at which point the old school would be demolished, and the new turf and playground areas would take its place.

In FY 2023, Mr. Mathers stated, the WCSD would use a consultant to conduct a modernization study of all the schools in the district. The study would take a look at the condition of the facilities and identify which facilities would need a major remodel, complete teardown and rebuild, or anything in between. He spoke about the age of the facilities. Between 1948 and 1988 the district opened 53 new schools; the average age of those schools was 56 years old. He commented there were schools older than that, including Mount Rose Elementary School which was 100 years old. He remarked that schools could last for a while, but there were some in the district that were rough and really aging. He opined the modernization study would lead to a staged plan for the WCSD to address the older schools in its core areas, and an engineering recommendation on the most cost-effective use of the district's funds to update those facilities. He said the WCSD would build new schools when warranted by enrollment growth based on new development in the outlying areas.

Mr. Mathers observed the WCSD had solid coverage on its rollover bonds, as indicated by the data listed on slide 7 of his presentation. He shared that property taxes were a fairly stable revenue source. He informed that the coverage was bouncing around between 10 and 22 percent over the last two completed fiscal years and going forward. He asserted it was strong coverage for a stable revenue source with a lot of abatement and opined the WCSD could handle a decline in housing values. He said property taxes had grown more than 6 percent per year for a number of years. The other thing that gave the WCSD the ability to issue significantly more rollover bond debt in the future, he stated, was that the bonds that had been issued in the past 15 to 20 years would roll off or mature in the next 5 to 10 years. He spoke about slide 8 which showed the current outstanding rollover bonds with debt service of approximately $60 million, noting they would fall below $30 million in the next 7 or so years. He reiterated there was a lot of room to issue new debt in the long term.

Mr. Mathers spoke about the WC-1 bonds, stating the WCSD had seen really strong growth in that revenue source; the growth was more than what was projected by the committee that had put the ballot measure together. The district had collected on average a little over $4 million per month, and the sales tax revenue source was catching up to property taxes quickly. He said the WCSD projected $62 million in revenues in FY 2023. He shared that for every month since collections began in April of 2017, the WCSD had year-over-year growth by month, except for two months, noting those two months were during COVID-19. In response to a question from Chair Duerr about the colors in the graph on slide 11, Mr. Mathers stated they represented revenues from different fiscal years; orange was for FY 2018, yellow for FY 2019, green for FY 2020, and the two earth tones were for FY 2021 and FY 2022. He explained that the X-axis represented the fiscal year of July through June, and the Y-axis represented the monthly WC-1 sales tax revenues. He said the WCSD had never expected to see nearly $6 million in revenues per month, but with the economy and consumer spending there had been on average an increase of more than 15 percent year-over-year.

Sales tax-pledged revenues, Mr. Mathers asserted, were more volatile. He spoke about the coverage of the sales tax bonded debt, noting the WCSD was collecting more than two times its debt service. The difference was used to build up funds to pay for new schools on a pay-as-you-go basis when possible; the WCSD had built two new elementary schools on a pay-as-you-go basis. He said the funds were also used for the design of new schools and a number of other projects. In response to a question from Chair Duerr, Mr. Mathers explained it was more efficient for the WCSD to pay for design on a pay-as-you-go basis without bonding for it in year one. In year two it would pay for construction on a pay-as-you-go basis, if possible, to avoid the interest costs. He observed middle and high school facilities generally had to be debt-financed due to cost, but the district would pay cash if it could. Chair Duerr spoke about the Moana pool project, stating it was being financed similarly.

On slide 13, Mr. Mathers pointed out a line on the graph that represented the WCSD's revenues and noted there was no assumed growth due to the potential of a recession. He reminded that the revenues held around $62 million per year and the debt service was under $35 million per year. He believed the district had room to bank cash and use it to pay for facilities when possible. In response to a question from Chair Duerr, Mr. Mathers informed that the WCSD was only presenting a proposal for rollover bonds; it would not be proposing any new WC-1 bonds.

Medium-term bonds, Mr. Mathers said, were for less than ten years pursuant to State law. He shared that the WCSD used them to buy buses and paid for them out of a capital fund or a government services tax capital projects fund. He presented slides 15 and 16 and opined the WCSD would have no issue covering the medium-term bond debt.

Mr. Mathers stated the WCSD's general obligation debt limit was $3.2 billion, and the district had a little over $2 billion of remaining authorization under the debt limit that was statutorily set. He reminded that the proposal was to issue $298.5 million in bonds which would leave the district with approximately $1.78 billion of remaining authority based on the State debt limit. Chair Duerr inquired about the previous bond proposal submitted to the Commission by the WCSD, and Mr. Mathers believed it was for $300 million for a 3-year series and had been requested 3 years ago.

As part of the package that was given to the Commission, Mr. Mathers said, there was a debt comparison between the WCSD and other school districts. He asserted the comparison was difficult as school districts had property tax debt rates that varied by district and not all school districts had the same debt sources and capital projects sources. For example, Clark County had five different sources for its debt while Washoe County only had two, and Washoe County had a

WC-1 revenue source that other districts did not have. He thought the closest to an apples-to-apples comparison was to look at general obligation (GO) bond debt that was paid by the property tax rate since that applied to most districts. On slide 19, he pointed out the column on the far right, noting it compared the WCSD's rollover bond debt as a percentage of assessed value to other districts; the WCSD was a little under 3 percent of assessed value. He compared the total debt which indicated the district was approximately 5.84 percent of assessed value, but he noted no other school district had anything comparable to the WC-1 rate. He opined the WCSD had a moderate amount of debt, and it maintained a AA credit rating.

Mr. Mathers observed the district had issued just under $800 million of new debt in both WC-1 and rollover bonds since November of 2017. Slide 20 showed the facilities that were built with those bonds. He shared that the engineering staff and contractors had been busy addressing the district's overcrowding. He believed the WCSD had delivered on its promise to voters to get the facilities built and was no longer in an overcrowding situation.

Mr. Mathers spoke about the WCSD's outlook beyond the proposed $298 million in bonds. He reminded that the district was pivoting toward major construction projects of existing schools, noting there were disparities and inequities in facilities. He opined new schools had a positive impact on students. He believed the WCSD would receive the results of the modernization study in early 2023, which would guide the future of the district. He asserted the district would be responsive to new development in growing areas such as Spanish Springs and the North Valleys, with new schools planned over the next seven years.

Chair Duerr asked about the different coverage ratios on slide 7. Mr. Mathers explained the slide showed the comparison between actual revenues for FY 2020 and 2021 and the actual debt service. He informed the debt service had gone up $6 million between FY 2021 and 2022 which lowered the coverage ratio. He observed there would be fluctuation as property tax revenues grew at different rates and as the WCSD added on debt. In response to a question from Chair Duerr, Mr. Mathers asserted that anything over 10 percent was a solid, comfortable level of coverage for property tax-pledged GO bonds. He believed it was a stable revenue source and there was enough abatement (i.e., assessed value) over and above what was being taxed now, that there could be drops in housing prices for a number of years before the WCSD ate through all of the abatement. He opined the district could even live with coverage above 3 percent. He informed the WCSD had over $75 million combined of debt service fund cash reserves, noting that represented more than one year of rollover bond debt service. The WCSD had accumulated reserves over time as a buffer. Chair Duerr asked Kendra Follett of Sherman & Howard, bond counsel to the WCSD, and Vice Chair Sherman to weigh in about debt coverage ratios. Ms. Follett said the statutes for Debt Management Commission purposes just required sufficient amounts, which would be one times coverage. Chair Duerr remarked that when she was with the Truckee River Flood Management Authority (TRFMA), she thought TRFMA's goal was 25 percent over the minimum due to different revenue sources. She shared that TRFMA had sales tax revenues not property tax revenues. Vice Chair Sherman opined that for property tax-supported debt the coverage ratio should be one or slightly higher, under the assumption that property tax revenues were more stable than sales tax-supported debt. Therefore, he believed sales tax-supported debt should have a higher coverage ratio. Chair Duerr commented that the coverage ratios for the WCSD's WC-1 bonds were much higher, and Mr. Mathers confirmed they were approximately 50 percent coverage, and the district did not want the coverage to fall below 25 percent. He reiterated that sales tax revenues were volatile.

There was no public comment or action taken on this item.

22-021D **AGENDA ITEM 6** Discussion and possible action on a resolution concerning the submission to the Washoe County Debt Management Commission by Washoe County School District, of a proposal to issue Washoe County School District general obligation (limited tax) school improvement bonds, in one series or more, in an aggregate principal amount not to exceed $298,515,000, for the purpose of financing a portion of the cost of acquiring, constructing, improving, and equipping school facilities within the District, by constructing or purchasing new buildings for schools, enlarging, remodeling 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; and approving certain details in connection therewith.

JNA Consulting Group President Marty Johnson stated that JNA had been the Washoe County School District's (WCSD) municipal advisor for a number of years. He observed that the WCSD was requesting approval from the Commission to move forward with a proposal for $298,515,000 of general obligation (GO) bonds. On May 15, he said, the Board of Trustees approved the Debt Management Commission Notice Resolution, as well as a request for the district's oversight panel to meet. The oversight panel met on June 6 and approved the issuance of the bonds. He noted the WCSD did not address the WC-1 bonds in the proposal because the request was strictly for the rollover bonds paid for by property tax revenues.

Mr. Johnson spoke about the criteria the Debt Management Commission looked at: impact on the debt limit, property tax rate impact, and the ability to demonstrate that the revenues from the property tax rate would be sufficient to pay both the proposed and the outstanding bonds. He noted the WCSD must also have sufficient resources in the debt service reserve account to cover the minimum 25 percent balance. He referred to pages 3 and 4 of the bond proposal which provided a breakdown of the district's outstanding GO debt. As of May 1, 2022, the district had just over $1.1 million of outstanding debt. He turned to page 5 of the proposal and pointed out that the WCSD was proposing $298 million in two different series of school improvement bonds. Based on the district's debt limit of $3.2 billion, there would still be over $1.7 billion of GO debt limit remaining. He noted the WCSD did not have to share the debt limit with any other organization or agency.

Page 7 of the proposal, Mr. Johnson informed, laid out the outstanding and proposed bonds. He commented that interest rates had been volatile recently and they assumed a 4.5 percent interest rate for the debt service on the bonds they expected to issue in a couple of months and a 5 percent interest rate for the bonds that would be issued in 2024. He remarked that if the first round of bonds were to be issued immediately, he would expect the interest rate to be in the 4.2 to 4.5 percent range. He said the timing was critical, noting that the bonds could have been issued in the last month for about 3.8 percent. He mentioned that the total interest at the bottom of the 2022 column was a typo, and it should have been $67,800,528.

Mr. Johnson spoke about page 8, pointing out the first column which showed the projected property tax revenues. The FY 2022 number, he stated, was the FY 2022 budget, and the FY 2023 number was the estimate from the Department of Taxation for property tax revenues in Washoe County for the school district's $0.3885 property tax rate. He shared that the FY 2023 abatement was estimated to be just north of $14 million. Chair Duerr asked for an explanation of abatement. Mr. Johnson informed that under the 3 percent and 8 percent rules a property tax bill could only go up so much, and if the assessed value were to increase more than that, the difference was abated. He said if everyone paid on the actual value of their property, the property tax revenues would be $14 million higher. He mentioned the economic downturn at the end of 2008, 2009, and 2010, noting property tax revenues actually increased throughout most of the State for a couple of years as abatement was used. He stated if one were to look at an assessed value chart, the value would have gone down while property tax revenues still went up. Then the tax revenues went down and trailed the assessed value. Chair Duerr wondered if the assessed values were abated on the fall or just on the climb back up. Mr. Johnson provided an example. He said if a person's property tax bill was $1,000 and the assessed value went up 10 percent, the property tax bill should be $1,100, but because of the 3 percent abatement, it would only be $1,030. The next year, if the assessed value were to drop to where the actual property tax bill should be $1,080, the property tax bill would still only go up 3 percent. Therefore the $1,030 would increase 3 percent to approximately $1,060. The actual bill would be $1,080, but because of abatement, it would be $1,060. He said if the assessed value dropped so much that the rate fell below $1,000 then the value of the abatement would drop. The recovery of the $14 million was dependent on how quickly the assessed value dropped.

Chair Duerr wondered about the tick-up during the recession and asked for clarification about the example provided by Mr. Johnson. Mr. Johnson explained that the 3 percent and 8 percent were the maximums the tax revenues could increase, and because of the formulas used, there were years where the property tax bill could only go up 0.02 percent or less than 1 percent. As assessed values were recovering and going up 5, 6, or 8 percent, if the property tax bill could only go up 1 percent, more abatement would be created. When coming out of the recession, he said, abatement grew quickly because factors less than 3 and 8 percent were being used. Chair Duerr asked why it only went up 1 percent. Mr. Johnson responded that the law that was put in place in 2005 stated property taxes were capped at 3 percent or 8 percent or the lesser of two times the consumer price index (CPI) or the ten-year rolling average change in assessed value. The average change in assessed value, he noted, varied county by county. For some counties that number stayed at 5 or 6 percent, while in other counties that number went negative. He observed the CPI continued to go up except for one year when prices basically did not change. Chair Duerr spoke about previously using the two times the CPI and thought it was the main limiting factor. She believed the CPI was only 0.5, and Mr. Johnson responded it could even have been less. Chair Duerr thought that was why it was limited to 1 percent and not the 3 percent and Mr. Johnson confirmed that was correct. Chair Duerr opined the alternate equations should be eliminated and it should just be the 3 or 8 percent. She recalled that the 3 percent was for residential, and the 8 percent was for commercial. She stated she knew about the CPI limiting factor but did not believe she knew about the ten-year rolling average and asked for additional information. Mr. Johnson explained that the ten-year rolling average of assessed values was compared to the two times CPI. The higher of the two was then compared to the 3 percent, and the lesser of those two is what would be taken.

Referring back to page 8, Mr. Johnson pointed out that even though growth was shown through 2025, the FY 2023 estimate of property tax revenues would be sufficient to pay the debt service in any of the succeeding years. As long as the WCSD stayed at zero growth, he said, it would be able to pay the proposed bonds. He noted that the district could even handle substantial declines and still be able to pay the bonds out of the $0.3885 property tax rate.

Mr. Johnson spoke about the reserve account. He asserted when the bonds were issued, the WCSD had to have an amount in the reserve account equal to at least 25 percent of either next year's debt service or 10 percent of the outstanding proposed par amount; the reserve account would have to contain whatever the lesser of those two numbers was. Page 9, he said, showed the estimate, the budget, and the projected for the district's debt service fund, which was where the reserve account was held. He pointed out the property tax revenues that went into that account and noted the item titled "Other Resources" was a refunding that was done earlier in the year. He said there were interest earnings that went into the account and the WCSD paid annual debt service out of the account as well. He stated the "Other Costs" in 2022 regarded the refunding, and he believed the other two years were related to the Incline Village settlement amount. He pointed out the "Transfers Out," stating they were for capital projects the district conducted. He observed the ending balance for FY 2022 was $57.5 million, $64.6 million for FY 2023, and it was projected to be $67.5 million for FY 2024. He informed that the minimum amount the WCSD needed to have in the reserve account was 25 percent of its annual debt service, which was approximately $25 million to $28 million. He remarked that the WCSD's account balance was well in excess of that amount.

In response to a question from Vice Chair Sherman, Mr. Johnson stated the 25 percent requirement was statutory and was not part of what was promised to bondholders. He said it was put in the legislation as a protection to taxpayers, to ensure there were funds in the account in the event the assessed value ever did decline. Mr. Johnson asked Ms. Follett if she had anything additional to this point, and she said no but agreed it was a statutory requirement. Vice Chair Sherman wondered if it was a hardwired requirement that could not be changed by the school board. Mr. Johnson confirmed that was correct. Ms. Follett said the school board could add to it, but the 25 percent would remain the minimum. She noted the reserve was available to all GO bonds.

Chair Duerr asked if the different debt coverages were cumulative and applied to the same group of debt or if some were overlapping. Mr. Mathers responded no, stating the WCSD looked at the coverages separately because there were separate pledge revenues. He reiterated Ms. Follett's comment that the reserves that were held in excess of the minimum could be accessed for any type of debt. Mr. Johnson remarked that in the event sales tax revenues and the reserves were insufficient, the WCSD would use property tax revenues to pay those bonds. He noted the table did not consider the $18 million in the reserve account that the district had set up strictly for the WC-1 bonds.

Vice Chair Sherman requested clarification of the revenues shown on pages 8 and 9. He noted page 8 showed the FY 2022 revenue as a little more than $70 million, and on page 9 it was over $71.9 million. Mr. Johnson responded that the number on page 8 was the budgeted revenue and the number on page 9 was the estimated; the more recent numbers for the property tax revenues were on page 9. For FY 2023, he believed the number on page 8 was the gross amount and that the number on page 9 was a net amount that reflected the fee Washoe County collected for personal property taxes. Chair Duerr requested that for the purpose of clarity this information be added to the footnotes going forward.

Mr. Johnson stated the rest of the document was provided to the Clerk's Office and the Department of Taxation as information regarding an update to the WCSD's Debt Management Policy. He spoke about the four criteria the district needed to meet for the approval of the bond proposal and asserted the WCSD met each one of them. He stated the revenues from the $0.3885 property tax rate would be sufficient to pay the outstanding proposed bonds; the district would not increase the tax rate or adversely impact any other local government. The reserve account, he noted, would have enough funds to meet the minimum requirements.

Chair Duerr inquired about the future debt that was alluded to during the previous presentation. She wondered if the WCSD anticipated coming back to the Commission. Mr. Mathers responded that part of the $298 million request was to begin the construction projects identified as a result of the modernization study. He said that was just the next one to two years of work that the district would anticipate. Once the projects were identified, he thought the district might come back to the Commission in about three years with another request.

Chair Duerr asked if the WCSD had to wait ten years to refinance. Mr. Mathers said the district was structuring the bonds so the district would be able to refund the bonds at the ten-year mark.

Chair Duerr asked to be reminded of the expected interest rates on the proposed bonds. Mr. Johnson stated it would be 4.5 percent for the bonds that were expected to be issued in the next couple of months and 5 percent for the bonds that would be issued in two years. If the bonds were sold immediately, he believed it would be 4.2 to 4.25 percent; if they were sold a week ago it would have been 3.8 percent. Mr. Mathers opined that if the markets had confidence in what the federal government was doing to quell inflation, then an inverted yield curve could be expected. This meant short-term rates would be higher than long-term rates, and the all-in yield for 20 to 30-year debt might come back down to 3.8 percent or less. In response to a question from Chair Duerr, Mr. Mathers said the rate would be locked in once the bonds were issued. He stated if the market got comfortable that the federal government was going to be aggressive in quashing inflation then the longer-term yields could come down.

Vice Chair Sherman believed there was a statutory limit on when new debt could be authorized using property tax revenues; he thought new debt could not be approved or issued after March of 2025. Ms. Follett responded that in 2021 the Nevada Legislature extended it from 2025 to 2035.

There was no response to the call for public comment.

County Clerk Jan Galassini observed that the Nevada Revised Statutes (NRS) only required the Debt Management Commission meeting to be advertised in three locations total. She informed the meeting was advertised on the State website, the County website, and at the Washoe County Administrative Complex in Building A. She said page 6 of the resolution stated the meeting was posted in three additional locations but was only posted in one additional location, which was all that was required by statute. Chair Duerr asked if the resolution needed to be amended. Deputy District Attorney Jen Gustafson responded yes and said for accuracy purposes, the motion should include that the Commission move to revise page 6 paragraph 4 of the resolution to reflect that the meeting was advertised in one other prominent place, and include the address of the Washoe County Administrative Complex Building A as the prominent place.

On motion by Member Salazar, seconded by Member Ainsworth, which motion duly carried on a 6-0 vote with Member VanderWell absent, it was ordered that Agenda Item 6 be approved.

22-022D **AGENDA ITEM 7** Board Member Comments.

Chair Duerr shared that a group photo was taken the last time the Washoe County School District (WCSD) presented a bond proposal to the Commission. She requested that another photo be taken at the end of the meeting.

Member Ainsworth thanked Mr. Mathers and Mr. Johnson for the thorough information they provided. She noted she was not quite clear on some of the property tax information. Mr. Mathers agreed it was a complicated topic.

Member Nicolet thanked everyone and agreed with the comments made by Member Ainsworth. She shared she had heard the information in three different variations and was still confused about abatement and continued to learn about it. She thanked the Commission on behalf of the WCSD's students and employees, noting it was a huge obligation.

Chair Duerr commented that the WCSD now had beautiful schools and would be modernizing them, but she wondered if the district had money to fill the teaching component. Mr. Mathers responded that the WCSD was not adequately funded even though sales taxes were up 15 percent in Washoe County and 27 percent statewide, and the district's per pupil revenues from the State were increasing 1.3 percent. He voiced concern about how little the WCSD could offer its employees in terms of a cost-of-living adjustment (COLA). He observed that County employees were receiving a 5 percent COLA, and district employees were only receiving 1 percent but were also getting step increases. He asserted that the WCSD lacked adequate compensation for its employees and also lacked an adequate number of employees to bring class sizes anywhere near the national average. Chair Duerr, Mr. Mathers, and Member Nicolet spoke about the lack of funding for other operating expenses such as supplies and technology, and the need for bus drivers. Member Nicolet commented the district was working hard on these things. Chair Duerr said children were incredibly important and the Commission would do what it could to assist.

Chair Duerr requested a topic for a future agenda, noting she would like to recruit someone to provide a presentation on property taxes. She suggested having someone from the University of Nevada, Reno (UNR) give the presentation. County Clerk Jan Galassini and Deputy District Attorney Jennifer Gustafson believed the presentation could be given by someone from the Assessor's Office. Ms. Galassini stated the Assessor's Office would be able to explain how the properties were assessed and the values that were assigned to them. Attorney Gustafson noted the Assessor's Office gave a brief presentation on this topic to the Board of Equalization every year. Chair Duerr requested that this presentation be given to the Commission and said she would like it to be supplemented by a presentation from someone at UNR who could explain the global impact. She shared that she had seen a similar presentation from Brian Bonnenfant, Project Manager for the Center for Regional Studies with UNR's Small Business Development Center. Vice Chair Sherman suggested that in addition to those presentations, the Treasurer's Office should be invited to present because it was the office that actually calculated and sent out the tax bills.

Chair Duerr wondered which entity was due to present to the Commission and should be invited to the August meeting. Ms. Galassini reminded that August was the annual meeting, and it was a full agenda. She noted the Truckee Meadows Fire Protection District was planning to present a bond proposal at that meeting as well.

22-023D **<u>AGENDA ITEM 8</u>** Public Comment.

There was no response to the call for public comment.

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<u>11:29 a.m.</u> There being no further business to discuss, the meeting was adjourned without objection.

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NAOMI DUERR, Chair
Debt Management Commission

ATTEST:

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JANIS GALASSINI, County Clerk
and Ex Officio Secretary,
Debt Management Commission

Minutes Prepared by
Lauren Morris, Deputy County Clerk