

**DEBT MANAGEMENT COMMISSION
WASHOE COUNTY, NEVADA**

QUARTERLY MEETING

FRIDAY

3:00 P.M.

FEBRUARY 20, 2004

PRESENT:

Jim Galloway, Chairman
Richard Pugh, Vice-Chairman
Geno Martini, Commissioner
Jonnie Pullman, Commissioner *
Robert Seach, Commissioner
Robert Wolf, Commissioner

Amy Harvey, County Clerk
Paul Lipparelli, Legal Counsel

ABSENT:

Sharon Zadra, Commissioner

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

AGENDA

In accordance with the Open Meeting Law, on motion by Commissioner Martini, seconded by Commissioner Seach, which motion duly carried with Commissioners Pullman and Zadra absent, Chairman Galloway ordered that the agenda for the February 20, 2004 meeting be approved.

* **3:06 p.m.** Commissioner Pullman arrived.

PUBLIC COMMENTS

There was no response to the call for public comments.

ELECTION OF NEW CHAIRMAN & VICE CHAIRMAN

Commissioner Wolf nominated Commissioner Galloway to serve another term as Chairman. There were no other nominations, and Commissioner Galloway was unanimously re-elected as Chairman for 2004. Chairman Galloway thanked his fellow Board members for their confidence in him.

Commissioner Seach nominated Commissioner Pugh to serve another term as Vice Chairman. There were no other nominations, and Commissioner Pugh was unanimously re-elected as Vice Chairman for 2004.

MINUTES

On motion by Commissioner Martini, seconded by Commissioner Wolf, which motion duly carried with Commissioner Zadra absent, Chairman Galloway ordered that the minutes of the October 17, 2003 quarterly meeting be approved.

04-01DMC RESOLUTION - 2004 WASHOE COUNTY SCHOOL DISTRICT INSTALLMENT PURCHASE AGREEMENT

Chairman Galloway noted the Washoe County School District voluntarily submitted a statement indicating that the lifetime of the equipment is greater than the installment-purchase period of time.

Martin Johnson, Johnson Consulting Group, Financial Advisers for the School District, stated since the proposal is an installment-purchase agreement, it is not considered debt for the District and does not go against the District's debt limit. It will be paid for out of the general resources of the District and, therefore, will not impact the tax rate. Mr. Martin advised the amount of the installment-purchase agreement is \$1,788,498 for a variety of energy retrofit projects. He then responded to questions from the Commissioners.

Commissioner Pullman noted these purchases would be partially paid for by savings from improving their energy efficiency, and the projects would also improve the learning environment for the students.

On motion by Commissioner Pugh, seconded by Commissioner Pullman, which motion duly carried with Commissioner Zadra absent, it was ordered that the following resolution be approved and Chairman Galloway be authorized to execute the same:

RESOLUTION NO. 04-01DMC

A RESOLUTION CONCERNING THE SUBMISSION TO THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION OF A PROPOSAL TO ISSUE AN

INSTALLMENT-PURCHASE AGREEMENT; CONCERNING ACTION TAKEN THEREON BY THE COMMISSION; AND APPROVING CERTAIN DETAILS IN CONNECTION THEREWITH.

WHEREAS, pursuant to §§ 350.011 through 350.0165, Nevada Revised Statutes ("NRS"), the Board of Trustees (the "Board") of the Washoe County School District, Nevada (the "District"), notified the secretary of the Washoe County Debt Management Commission (the "Secretary" and the "Commission," respectively) of the District's proposal to issue an installment-purchase agreement with terms of more than 10 years (the "Agreement") and submitted a statement of the District's proposal in sufficient number of copies for each member of the Commission; and

WHEREAS, the Board anticipates making a determination that the revenues from the District's general fund will at least equal the amount required in each year for the payment of interest on and principal of such Agreement, and granting a security interest in property being financed by the Agreement subject to the provisions of NRS 350.800; and

WHEREAS, the Board presented the following proposal to incur such Agreement:

INSTALLMENT-PURCHASE AGREEMENT PROPOSAL:

Shall the Board of Trustees of the Washoe County School District in the State of Nevada, be authorized to incur an indebtedness on behalf of the District by the issuance at one time, or from time to time, of the District's installment-purchase agreements in the aggregate principal amount not to exceed \$1,788,498 for the purpose of financing, wholly or in part, the cost of acquiring, constructing, improving, furnishing and equipping of school facilities to promote the conservation of energy, paying capitalized interest and purchasing equipment for schools located in low to moderate income areas, the installment-purchase agreements to mature not later than thirteen (13) years from the date they are entered into, to bear interest at a rate or rates not in excess of the statutory maximum rate in effect at the time the installment-purchase agreements are entered into, the installment-purchase agreements by their terms to be extinguished by failure of the Board to appropriate money for the ensuing fiscal year for payment of the amounts then due, to be payable from legally available funds of the District to be

secured by a security interest in property of the District as provided in NRS 350.800, and to be entered into upon such terms and conditions, and with such other detail as the Board may determine?

(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 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 WASHOE COUNTY DEBT MANAGEMENT COMMISSION OF WASHOE, NEVADA:

Section 1. This resolution shall be known as the "2004 Washoe County School District Installment-Purchase Agreement 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 the Agreement in the maximum principal amount of \$1,788,498 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.

04-02DMC RESOLUTION - 2004 SEWER BOND DMC APPROVAL
RESOLUTION - WASHOE COUNTY

John Sherman, Washoe County Finance Director, explained the proposal involves two projects; i.e., a \$3,000,000 expansion of the sewer plant in Cold Springs and a \$6,500,000 stormwater detention facility in Spanish Springs. He advised these are general obligation backed revenue bonds with no anticipated property tax levy, will be supported by the net revenues of the County water and sewer utility operations, and will be paid back by the benefited properties. He noted that, in Spanish Springs, the County has created a Special Assessment District for construction and operation of the detention facility. Mr. Sherman further stated the money would be borrowed through the State because of the lower interest rates. He reviewed the financial projections, as well as the existing and pro forma debt service of the County and the coverage ratio.

Chairman Galloway asked what would happen if general obligation backing was necessary and there was no tax rate available. Mr. Sherman responded the Board of County Commissioners could increase the water and sewer rates charged in Cold Springs and Spanish Springs to cover it.

Commissioner Martini asked if this is the stormwater detention facility in which the City of Sparks is a participant. Mr. Sherman said it is.

On motion by Commissioner Pullman, seconded by Commissioner Martini, which motion duly carried with Commissioner Zadra absent, it was ordered that the following resolution be adopted and Chairman Galloway be authorized to execute the same:

RESOLUTION 04-02 DMC

A RESOLUTION CONCERNING THE SUBMISSION TO THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION OF A PROPOSAL TO ISSUE WASHOE COUNTY, NEVADA, GENERAL OBLIGATION SEWER BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) IN THE MAXIMUM PRINCIPAL AMOUNT OF \$9,500,000; CONCERNING ACTION TAKEN THEREON BY THE COMMISSION; AND APPROVING CERTAIN DETAILS IN CONNECTION THEREWITH.

WHEREAS, pursuant to §§ 350.011 through 350.0165, Nevada Revised Statutes ("NRS"), Washoe County, Nevada (the "County"), notified the secretary of the Debt Management Commission of Washoe County (the "Secretary" and the "Commission," respectively) of the County's proposal to issue general obligations and

submitted a statement of the County's proposal in sufficient number of copies for each member of the Commission; and

WHEREAS, the Board of County Commissioners of the County (the "Board") proposes (subject to the approval of the proposal to issue general obligations by the Commission) to issue the bonds described in the following proposal:

**GENERAL OBLIGATION SEWER BOND
ADDITIONALLY SECURED BY PLEDGED
REVENUES PROPOSAL:**

Shall the Board of County Commissioners of Washoe County in the State of Nevada, be authorized to incur a general obligation indebtedness on behalf of the County by the issuance at one time, or from time to time, of the County's general obligation (limited tax) sewer bonds, in one series or more, in the aggregate principal amount of not exceeding \$9,500,000 for the purpose of financing, wholly or in part, the acquisition, construction, improvement and equipment of sewer projects, including, but not limited to, facilities pertaining to a County sanitary sewerage system for the collection, interception, transportation, treatment, purification and disposal of sewage, liquid wastes, solid wastes, night soil and industrial wastes, including a drainage and flood control project as provided in NRS 244A.0505, the 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 to bear interest at a rate or rates not in excess of the statutory maximum rate in effect at the time bonds are sold, to be payable from general (ad valorem) taxes (except to the extent pledged revenues and other moneys are available therefor), and to be issued and sold at par, or below or above par, and otherwise in such manner, upon such terms and conditions, and with such other detail as the Board 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 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 the Proposal to each member of the Commission with the notice of the meeting and mailed notice of the meeting to the chief financial officer of each municipality in Washoe County, Nevada which has complied with subsection 1 of NRS 350.013 within the past year; 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 "2004 Sewer Bond DMC Approval Resolution."

Section 2. The provisions of NRS §§ 350.013 to 350.015 have been met, and the Proposal for the issuance of general obligation (limited tax) sewer bonds additionally secured with pledged revenues in the aggregate principal amount of \$9,500,000 proposed by the County 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 or 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.

MEMBER COMMENTS

Commissioner Seach noted the Board had discussed trying to accomplish several legislative changes in the 2003 Legislature and asked for a final status report concerning the results of that effort. John Sherman, Washoe County Finance Director, stated staff was not successful in finding a Legislator to carry a bill. After that occurred, he was hoping the Committee on Local Government Finance would be able to introduce the legislation, but that was also unsuccessful. Mr. Sherman suggested a discussion concerning this could be on a future agenda. Commissioner Pullman noted the deadlines

for submitting bill draft requests and said the Board should have an item on their next agenda to address proposed legislative changes.

Commissioner Pullman requested a future agenda item concerning meeting dates and times. County Clerk Amy Harvey advised the next regularly scheduled meeting is May 14, 2004 at 3:00 p.m. She further advised that the calendar for the necessary quarterly meetings each year is set at the annual meeting in July.

PUBLIC COMMENTS

There was no response to the call for public comments.

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There being no further business to come before the Board, the meeting adjourned at 3:25 p.m.

JIM GALLOWAY, Chairman
Debt Management Commission

ATTEST:

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

*Minutes Prepared by
Sharon Gotchy, Deputy County Clerk*