

**DEBT MANAGEMENT COMMISSION  
WASHOE COUNTY, NEVADA**

FRIDAY

3:00 P.M.

FEBRUARY 18, 2005

PRESENT:

**Jim Galloway, Washoe County Commissioner, Chairman**  
**Richard Pugh, Member at Large, Vice-Chairman**  
**Dan Gustin, Reno City Council, Commissioner**  
**Geno Martini, Sparks City Council, Commissioner**  
**Jonnie Pullman, Washoe County School District, Commissioner \***  
**Robert Wolf, GID Representative, Commissioner**

**Amy Harvey, County Clerk**  
**Paul Lipparelli, Legal Counsel**

ABSENT:

**Robert Seach, Member at Large, Commissioner**

The Washoe County Debt Management Commission met in the Reno City Council Chambers, One East First 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:

**PUBLIC COMMENTS**

Kathy Brandhorst addressed the Board about some of her concerns.

\* **3:22 p.m.** Jonnie Pullman arrived.

**05-01DMC**    **OATH OF OFFICE**

Amy Harvey, County Clerk, administered the Oath of Office to Steve Cohen, the newly elected General Improvement District representative.

**05-02DMC**    **AGENDA**

On motion by Commissioner Wolf, seconded by Commissioner Pugh, which motion duly carried, it was ordered that the agenda for the February 18, 2005 meeting be approved.

**05-03DMC AT-LARGE MEMBERS APPOINTED**

Chairman Galloway commended Commissioner Seach for his many years of service, not only on the Debt Management Commission, but many other Boards and Commissions.

Commissioner Pullman nominated Robert Wolf and Richard Pugh as at-large members. Commissioner Martini seconded the motion. There being no further nominations, the Board appointed Robert Wolf and Richard Pugh as at-large members. Amy Harvey, County Clerk, administered the Oath of Office to Commissioners Wolf and Pugh for their new terms.

**05-04DMC ELECTION OF CHAIRMAN AND VICE CHAIRMAN**

Chairman Galloway stated it had been an honor and a privilege to serve as Chairman for the last two terms, but due to his other commitments he did not wish to seek a nomination.

Commissioner Cohen nominated Commissioner Pugh as Chairman and Commissioner Pullman seconded the motion. There being no further nominations, the Board elected Commissioner Pugh as Chairman.

Chairman Pugh nominated Commissioner Wolf as Vice Chairman and Commissioner Galloway seconded the motion. There being no further nominations, the Board elected Commissioner Wolf as Vice Chairman.

The Debt Management Commission then assembled with those in attendance as follows:

**Richard Pugh, Member at Large, Chairman**  
**Robert Wolf, Member at Large, Vice Chairman**  
**Stephan Cohen, GID Representative, Commissioner**  
**Jim Galloway, Washoe County Commissioner, Commissioner**  
**Dan Gustin, Reno City Council, Commissioner**  
**Geno Martini, Sparks City Council, Commissioner**  
**Jonnie Pullman, Washoe County School District, Commissioner**

**05-05DMC MINUTES**

On motion by Commissioner Galloway, seconded by Commissioner Martini, which motion duly carried with Commissioner Pullman abstaining, Chairman Pugh ordered that the minutes of the Special Meeting of December 17, 2004 be approved.

**05-06DMC    RESOLUTION – GENERAL OBLIGATION WATER BONDS –**  
**WASHOE COUNTY**

County Bond Counsel Jennifer Stern, Swendseid & Stern, explained Washoe County is seeking approval to issue \$15-million in general obligation bonds, which would be secured by pledged revenues from the County's water and sewer utilities system revenues. Ms. Stern stated there was sufficient statutory debt capacity to support this bond, and no tax rate is anticipated since pledged revenues would be sufficient to support the debt service. The County would get below market interest rates on these bonds, which would be used to fund the Longley Lane Water treatment facility.

Commissioner Galloway commented on the coverage ratio noting that the general fund of Washoe County would not be at risk.

On motion by Commissioner Galloway, seconded by Commissioner Wolf, which motion duly carried, it was ordered that the following resolution be adopted and Chairman Pugh be authorized to execute the same:

**RESOLUTION**

**A RESOLUTION CONCERNING THE SUBMISSION TO THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION OF A PROPOSAL TO ISSUE WASHOE COUNTY, NEVADA, GENERAL OBLIGATION WATER BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) IN THE MAXIMUM PRINCIPAL AMOUNT OF \$15,000,000; 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 WATER 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) water bonds, in one series or more, in the aggregate principal amount of not exceeding \$15,000,000 for the purpose of financing, wholly**

**or in part, the acquisition, construction, improvement and equipment of water projects, including, but not limited to, facilities pertaining to a County water system as provided in NRS 244A.056 for the collection, transportation, treatment, purification and distribution of water, 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 monies 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 "2005 Water 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) water bonds additionally secured by pledged revenues in the aggregate principal amount of \$15,000,000 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.

**05-07DMC RESERVATION REQUEST – 1.22 CENTS OF PROPERTY TAX RATE FOR PUBLIC SAFETY – CITY OF RENO**

Andrew Green, City of Reno Finance Director, requested a reservation of 1.22 cents of property tax rate for public safety, specifically police services. He stated this was not an increase in the rate, but the City wanted to reserve this amount for a future proposal that would come back to the Commission. He stated the City Council recently reaffirmed its commitment to public safety by planning to hire an additional 20 police officers over the next five years, as well as adding three community service centers. As a result, Reno requested to reserve this amount under the cap so Finance could plan on having an additional funding source during the budget process to provide supplementary police services.

In response to Chairman Pugh, Mr. Green stated rate reservation was a new concept, but there was no established procedure yet. City Council desired to start a process to ensure that all money be identified during the budget deliberations and wanted this brought before the Commission.

Commissioner Gustin stated in 2002 the County requested a 5-cent reservation, but he did not know what the resolution was. Paul Lipparelli, Legal Counsel, said there was a prior request to reserve the rate, but no action was taken.

Commissioner Pullman asked if this reservation would bring the rate up to the cap and if it would take into account the increased assessed valuation that would come in at the higher rate. Mr. Lipparelli stated the DMC had jurisdiction over proposals from municipalities and districts to incur debt. He said existing tax rates based on the budgets of overlapping entities must be taken into account to determine how much capacity exists.

In response to Commissioner Martini, Mr. Green said the City of Sparks would not be affected because they have a different overlapping rate than Reno.

Commissioner Gustin stated Council's intent was to use the cap for public safety if the County did not need it.

Chairman Pugh asked if they were seeking action today and Mr. Green stated it would have to be acted on soon because of budget deadlines. Mr. Lipparelli

stated a request for a rate reservation does not have to be acted on within a certain timeframe.

Commissioner Pullman requested this item be tabled until the next meeting to allow discussions between the County and the City and until a procedure was adopted. Mr. Lipparelli stated the Commission could act on it today since it is on the agenda, but Statute requires procedures be in place before a rate reservation is acted on. He further advised that notice should be provided to other affected entities to give them time to object and to involve them in the development of the reservation procedure.

Commissioner Galloway discussed the Board needing its own procedures. Other entities would be affected by the reservation, and they did not have a lot of notice this was going to be on the agenda. Commissioner Galloway said he wanted to hear the comments from the two people who requested to speak and to have the letter from the school district read before making any decisions.

John Berkich, Assistant County Manager for Washoe County, asked the Board to consider the process as prescribed by statute before acting on the reservation. He stated there had been no opportunity to bring the reservation request before the County Commission. He echoed the concerns and priorities the City established for public safety and said the County had the same priorities. Mr. Berkich said there is a bill draft request to address the needs of all the entities, and he agreed with the recommendation to defer this item.

It was noted that Paul Dugan, Superintendent of the School District, wrote a letter opposing the tax rate reservation. Commissioner Pullman stated that the School District Board had not discussed the reservation and she was not aware of it being on the next agenda.

Kathy Brandhorst spoke against a property tax increase.

On motion by Commissioner Pullman, seconded by Commissioner Galloway, which motion duly carried, it was ordered that Reno's rate reservation request be continued until after the Commission had adopted procedures, at which time the resolution would be considered.

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There being no further business to come before the Board, the meeting adjourned at 4:10 p.m.

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**RICHARD PUGH**, Chairman  
Debt Management Commission

**ATTEST:**

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

*Minutes Prepared by  
Karen Jones  
Deputy County Clerk*