

**DEBT MANAGEMENT COMMISSION
WASHOE COUNTY, NEVADA**

QUARTERLY MEETING

FRIDAY

3:00 P.M.

APRIL 28, 2006

PRESENT:

Richard Pugh, Member at Large, Chairman
Robert Wolf, Member at Large, Commissioner
Stephan Cohen, GID Representative, Commissioner
Jim Galloway, Washoe County Commissioner, Commissioner
Geno Martini, Sparks City Council, Commissioner

Amy Harvey, County Clerk
Paul Lipparelli, Legal Counsel

ABSENT:

Dan Gustin, Reno City Council, Commissioner
Jonnie Pullman, Washoe County School District, Vice Chairman

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

06-05DMC AGENDA

On motion by Commissioner Cohen, seconded by Commissioner Martini, which motion duly carried with Commissioners Gustin and Pullman absent, Chairman Pugh ordered that the agenda for the April 28, 2006 quarterly meeting be approved.

PUBLIC COMMENT

There was no response to the call for public comment.

06-06DMC MINUTES

On motion by Commissioner Martini, seconded by Commissioner Cohen, which motion duly carried with Commissioners Gustin and Pullman absent, Chairman Pugh ordered that the minutes of the February 24, 2006 meeting be approved.

**06-07DMC CITY OF SPARKS - GENERAL OBLIGATION (LIMITED TAX)
SEWER BONDS (ADDITIONALLY SECURED BY PLEDGED
REVENUES) - SERIES 2006**

Kermit McMillin, Municipal Solutions Associates, Financial Advisor to the City of Sparks, stated the request before the Commission was to approve a proposal to issue up to \$18-million of general obligation bonds. He explained the purpose of the bond issue was to pay for a new interceptor line that would connect the Sparks treatment plant to a line at Baring Boulevard. He commented this was an ongoing project that the City undertook several years ago to improve the sewer service to the northern reaches of the City. Mr. McMillin confirmed the resources of the City had been reviewed; and the review included user and connection fees, and other revenues that the sewer fund received. He verified the Sewer Enterprise Fund would have sufficient revenues to meet the debt service of the \$18-million issue at least 1.8 times throughout the life of the bonds.

In response to Commissioner Galloway, Mr. McMillin explained the new bond issue would wipe out part of the historical coverage. He pointed out that page seven of the report reflected the projected amount available for debt service and the estimated debt service of the \$18-million issue. Mr. McMillin remarked the rate model that established the amount of available funds anticipated peaks and valleys of development. He stated low points on the model reflected when fewer connections would be available.

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

RESOLUTION NO. 06-07 DMC

A RESOLUTION CONCERNING THE SUBMISSION TO THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION OF A CITY OF SPARKS PROPOSAL TO ISSUE GENERAL OBLIGATION SEWER BONDS ADDITIONALLY SECURED BY PLEDGED REVENUES IN THE MAXIMUM PRINCIPAL AMOUNT OF \$18,000,000; 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"), the City Council (the "Council") of Sparks, Nevada (the "City"), 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 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 SEWER BONDS
(ADDITIONALLY SECURED BY PLEDGED REVENUES)
PROPOSAL:**

Shall the City Council of the City of Sparks, 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 sewer bonds, in one series or more, in the aggregate principal amount of not exceeding \$18,000,000 for the purpose of acquiring, improving and equipping a City sewer project 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, 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 Council has made a finding that the pledged revenues will at least equal the amount required in each year for the payment of interest on and principal of such general obligation sewer bonds and that no increase in the rate of an ad valorem tax is anticipated to be necessary for the payment of the bonds described in the Proposal for the term thereof (the "Finding"); 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 the Finding; and

WHEREAS, the Commission has received from the City complete statements of current and contemplated general obligation debt, a debt management policy, a capital improvement 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, NEVADA:

Section 1. This resolution shall be known as the "2006 City of Sparks Sewer Bonds 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 general obligation sewer bonds (additionally secured by pledged revenues) in the maximum principal amount of \$18,000,000 by the City and the Finding hereby 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.

MEMBER COMMENTS

There was no response to the call for comments.

PUBLIC COMMENT

There was no response to the call for public comment.

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There being no further business to come before the Board, the meeting adjourned at 3:07 p.m.

RICHARD PUGH, Chairman
Debt Management Commission

ATTEST:

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

*Minutes Prepared by
Lori Rowe, Deputy County Clerk*