

DEBT MANAGEMENT COMMISSION, WASHOE COUNTY, NEVADA

FRIDAY

3:00 P.M.

MARCH 16, 2007

PRESENT:

Robert Wolf, Member At Large, Chairman
Jonnie Pullman, Washoe County School District, Vice Chairman
Jim Galloway, Washoe County Commissioner, Commissioner
Geno Martini, Sparks City Mayor, Commissioner
Richard Pugh, Member At Large, Commissioner

Nancy Parent, Chief Deputy County Clerk
Paul Lipparelli, Legal Counsel

ABSENT:

Jim Ainsworth, GID Representative, Commissioner
Dan Gustin, Reno City Council, Commissioner

The Washoe County Debt Management Commission (DMC) met in the Chambers of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada, in full conformity with the law, with Chairman Wolf 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 COMMENT

There was no response to the call for public comment.

07-04DMC AGENDA

In accordance with the Open Meeting Law, on motion by Vice Chairman Pullman, seconded by Commissioner Martini, which motion carried on a 5-0 vote with Commissioners Ainsworth and Gustin absent, Chairman Wolf ordered that the agenda for the March 16, 2007 meeting be approved.

07-05DMC RESOLUTION SUBMITTED BY WASHOE COUNTY SCHOOL DISTRICT (WCSD) PROPOSING ISSUANCE OF GENERAL OBLIGATIONS

The following individuals were present to provide information: Marty Johnson, JNA Consulting Group, WCSD Financial Advisor; Jennifer Stern, Swendseid & Stern, Bond Counsel; Gary Kramer, WCSD Chief Financial Officer; and Mark Stanton, WCSD Capital Projects Administrator.

Mr. Johnson reviewed the financial information provided to the Commission, which demonstrated the ability of the School District to afford the bonds

and meet the criteria set forth by the Debt Management Commission to consider proposals to issue bonds. He highlighted page five of the information packet illustrating that the School District would be well below its required debt limit after the issuance of the proposed \$165 million in bonds over a three-year period. Mr. Johnson referenced pages six through eight of the packet, showing that the existing tax rate of \$0.3885 should be sufficient to repay all outstanding and proposed bonds. He discussed the table on page nine containing projections that the School District would exceed its minimum required balance in the Debt Service Fund. Mr. Johnson commented that the School District did not anticipate any necessity to increase the tax rate. He pointed out a list of approved projects to be funded from the bonds provided in Appendix B of the information packet.

Commissioner Galloway and Mr. Johnson discussed the Debt Service Fund balance requirements and projections.

Commissioner Pugh asked what would happen if revenues generated by the existing tax levy were not sufficient. Mr. Johnson stated it would depend on the circumstances. He explained the School District would be unable to issue additional bonds until it could demonstrate compliance with the coverage test, and money for any outstanding bonds would be made up from the Debt Service Fund. The School District would raise the \$0.3885 tax levy in order to repay the bonds in the unlikely event that the Debt Service Fund was depleted.

Chairman Wolf asked if the southern Nevada schools were experiencing difficulty between rapid growth and the inability to generate revenues to support the infrastructure needed for growth. Mr. Johnson commented it was not currently an issue, although it had been in the past. He explained the Clark County School District was given access to some room tax money and real property transfer tax money during the 1997 Legislative session but those revenue sources were not available to the Washoe County School District.

Commissioner Galloway commented that the estimated revenue projections looked realistic. Mr. Johnson stated that the School District was using a conservative estimate of 4 percent revenue growth in future years.

On motion by Commissioner Martini, seconded by Commissioner Pullman, which motion carried on a 5-0 vote with Commissioners Ainsworth and Gustin absent, it was ordered that the following Resolution be adopted and the Chairman be authorized to execute the same:

RESOLUTION

A RESOLUTION CONCERNING THE SUBMISSION TO THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION BY WASHOE COUNTY SCHOOL DISTRICT, NEVADA, OF A PROPOSAL TO ISSUE GENERAL OBLIGATIONS; CONCERNING ACTION TAKEN THEREON BY THE

COMMISSION; AND APPROVING CERTAIN DETAILS IN CONNECTION THEREWITH.

WHEREAS, pursuant to 350.011 through 350.165, Nevada Revised Statutes (“NRS”), the Board of Trustees (the “Board”) of the Washoe County School District, Nevada (the “District”), notified the secretary of the Debt Management Commission of Washoe County (the “Secretary” and the “Commission,” respectively) of the District’s proposal to issue general obligations and submitted a statement of the District’s proposal in sufficient number of copies for each member of the Commission; and

WHEREAS, the Board has submitted the following question to the qualified electors of the District at the November 5, 2002 general election and the qualified electors approved the following question at such election:

WASHOE COUNTY SCHOOL DISTRICT BOND QUESTION:

Shall the Washoe County School District be authorized to issue general obligation school bonds to finance the acquisition, construction, improvement and equipping of school facilities? District projections at the time the bonds are issued must indicate that issuance of the bonds will not result in an increase of the existing school bond property tax rate of 38.85 cents (\$0.3885) per \$100 of assessed value. If approved, this authorization will expire November 5, 2012.

(the “Question”); and

WHEREAS, pursuant to Nevada Revised Statutes (“NRS”) 350.014(1) and NRS 350.020(4), the Board proposes to incur general obligation debt (subject to the approval of the Washoe County Debt Management Commission) in accordance with the Question approved by the qualified electors of the District and the following proposal:

GENERAL OBLIGATION SCHOOL BOND PROPOSAL:

Shall the Board of Trustees of the Washoe County School District, Nevada, be authorized to incur a general obligation indebtedness on behalf of the District by the issuance at one time, or from time to time, of the District’s general obligation school bonds, in one series or more, in the maximum aggregate principal amount of \$165,000,000 for the constructing, expanding, improving and equipping school facilities within the District until November 5, 2012 by constructing or purchasing new buildings for schools, enlarging, remodeling, replacing 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, 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, and to be issued on or before November 5, 2012 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 Board of Trustees 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 more than twenty days thereafter, and provided a copy of each 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 DEBT MANAGEMENT COMMISSION OF WASHOE COUNTY, NEVADA:

Section 1. This resolution shall be known as the "2007 Washoe County School District Approval Resolution."

Section 2. The provisions of NRS 350.013 to 350.0165, and 350.020(4) have been met, and therefore the Proposal for the issuance of general obligation school bonds proposed 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.

3:12 p.m. Commissioner Martini left the meeting.

07-06DMC MINUTES

On motion by Commissioner Pugh, seconded by Commissioner Galloway, which motion carried on a 3-0 vote with Commissioner Wolf abstaining and Commissioners Ainsworth, Gustin and Martini absent, it was ordered that the minutes of the February 9, 2007 meeting be approved.

MEMBER COMMENTS

Commissioner Galloway discussed an April 14, 2007 “Tune In To Kids” event designed to encourage families to spend more time communicating with each other.

PUBLIC COMMENTS

There was no response to the call for public comment.

3:15 p.m. There being no further business to come before the Board, the meeting was adjourned.

ROBERT WOLF, Chairman
Debt Management Commission

ATTEST:

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

*Minutes Prepared by
Lisa McNeill, Deputy County Clerk*