

**WASHOE COUNTY DEBT MANAGEMENT COMMISSION  
ORGANIZATIONAL MEETING**

FRIDAY

3:00 P.M.

FEBRUARY 5, 2010

PRESENT:

**Dan Gustin, Reno City Council, Chairperson**  
**Nancy Hollinger, Washoe County School District, Vice Chairperson**  
**Geno Martini, Sparks City Mayor, Commissioner**  
**Ted Fuller, GID Representative, Incline Village, Commissioner**  
**James Hunting, Member At Large, Commissioner**

**Jaime Deller, Deputy County Clerk**  
**Paul Lipparelli, Assistant District Attorney**

ABSENT:

**John Breternitz, Washoe County Commissioner, Commissioner**  
**Michelle Salazar, Member At Large, Commissioner**

The Washoe County Debt Management Commission (DMC) met at 3:02 p.m. in the Washoe County Caucus Room, Administration Complex, 1001 East Ninth Street, Reno, Nevada, in full conformity with the law, with Chairman Gustin presiding. The Clerk called the roll and the Board conducted the following business:

**10-01DMC                    AGENDA ITEM 5**

**Agenda Subject: “Elect Chairman and Vice Chairman.”**

Commissioner Martini nominated Commissioner Gustin for Chairman.

On motion by Commissioner Martini, seconded by Commissioner Fuller, which motion duly carried with Commissioners Breternitz and Salazar absent, it was ordered that Dan Gustin be appointed Chairman.

Commissioner Martini nominated Commissioner Hunting for Vice Chairman.

On motion by Commissioner Martini, seconded by Commissioner Hollinger, which motion duly carried with Commissioners Breternitz and Salazar absent, it was ordered that James Hunting be appointed Vice Chairman.

**09-02DMC                    AGENDA ITEM 6**

**Agenda Subject: “Approval of the minutes of the August 14, 2009 meeting.”**

On motion by Commissioner Fuller, seconded by Commissioner Martini, which motion duly carried with Commissioners Breternitz and Salazar absent, it was ordered that Agenda Item 6 be approved.

**09-03DMC AGENDA ITEM 7**

**Agenda Subject: “Discussion and action to specify a threshold percentage of the statutory ceiling for the combined tax rate in any of the overlapping entities within the county which if exceeded permits the Debt Management Commission to inquire into the public need to be served by proposed debt or a special elective tax based on established priorities among essential and non-essential facilities and services and compare that public need to other public needs that appear on certain filed statements of current and contemplated debt (Pursuant to NRS 350.0155(1) the percentage must not be less than 75 percent).”**

John Sherman, Finance Director, informed the Board the overlapping tax rate was \$3.64. He explained prior to 2001, if a proposal being considered exceeded 90 percent of the \$3.64 overlapping tax rate limit, the Debt Management Commission (DMC) could consider the public need to be served by the proceeds from the proposed debt and compare that public need with other public needs.

Commissioner Martini moved to set the threshold. Commissioner Fuller seconded the motion. Paul Lipparelli, Assistant District Attorney, stated the threshold had already been set in 2009. He explained this agenda discussion was at the request of the new members to the Board and there was no need for a motion.

Mr. Lipparelli stated NRS 350.0155(1) specifies a percentage, which must not be less than 75 percent, was required to be established in August. He stated it was the Board’s responsibility to make sure the statutory cap was not exceeded by a proposal to issue debt and to establish priorities among essential and nonessential facilities. Services and facilities relating to public safety, education and health were considered essential and all others must be considered non-essential. He explained the cap was there now and there was no maneuvering left for any “morsels” of taxes. Mr. Lipparelli further stated that an entity could chew up someone else’s margin of taxes and then the DMC would have to determine priorities.

Mr. Lipparelli further defined an affected entity as a governmental entity which could impose taxes for operating rate purposes, in the form of property taxes. He stated NRS 350.0135 defined the way in which the DMC could resolve conflicts, by determining whether there was an affected governmental entity and possibly imposing conditions and establish a method for the highest and best use that would serve the public needs. He gave an example of a possible sewer treatment plant to protect the river. The DMC could establish a priority that would allow the development to take place, versus putting in a park, as long as it did not damage the community.

Chairman Gustin said the DMC would then have to determine which was essential and which was non-essential. Mr. Lipparelli stated that was correct and also that the DMC would have to say up front how they were going to decide if there was room under the cap.

Commissioner Fuller inquired if the DMC had ever been involved in making a determination of priority in the past. Mr. Lipparelli stated they were involved in that decision making process in 2005. Mr. Sherman stated if a proposal came before the DMC causing the tax cap to be exceeded the Board would need to agree to an arrangement to go forward and not exceed the cap. He explained how the DMC dealt with that decision whereby the City of Reno and the City of Sparks lowered their tax rate so a particular entity could get the rate they needed.

There was no action on this item.

**09-04DMC AGENDA ITEM 8**

**Agenda Subject: “Discussion and action to establish priorities among essential and nonessential facilities and services pursuant to NRS 350.0155(2) that shall be considered by the Debt Management Commission if the statutory ceiling established by the Debt Management Commission for the combined tax rate in any of the overlapping entities within the county is exceeded by a proposed debt or a special elective tax and compare that public need to other public needs that appear on certain filed statements of current and contemplated debt.”**

\*\*\*See discussion under Agenda Item #7\*\*\*

**09-05DMC AGENDA ITEM 9**

**Agenda Subject: “Member Comments.”**

Chairman Gustin reported the City of Reno would be moving forward with issuance of bonds regarding wind and solar energy. He proposed a special meeting may need to be called in March for the Debt Management Commission.

**09-06DMC AGENDA ITEM 10**

**Agenda Subject: “Public Comments.”**

There were no public comments.

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**3:20 P.M.** On motion by Commissioner Fuller, seconded by Commissioner Martini, which duly carried with Commissioners Breternitz and Salazar absent, it was ordered that the meeting be adjourned.

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**DAN GUSTIN**, Chairman,  
Debt Management Commission

**ATTEST:**

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

*Minutes Prepared by  
Jaime Deller, Deputy County Clerk*