

CARSON CITY DEBT MANAGEMENT COMMISSION
Minutes of the February 7, 2005, Meeting
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A regularly scheduled meeting of the Carson City Debt Management Commission was held on Monday, February 7, 2005, at the Executive Conference Room in the City Hall, 201 North Carson Street, Carson City, Nevada, beginning at 4 p.m.

PRESENT: Commissioners Ken Brown, Robert Crowell, Don Hataway, Tracy Raxter, and Richard S. Staub

STAFF PRESENT: Finance Director Tom Minton, Senior Accounting Manager Nick Providenti, and Recording Secretary Katherine McLaughlin (2/7/05 DMC Tape 1-001 Side A)

ALSO PRESENT: Bond Counselor Jennifer Stern and Financial Consultant Kathy Ong

1. CALL TO ORDER, ROLL CALL AND DETERMINATION OF A QUORUM - Commissioner Staub convened the meeting at 4:02 p.m. Roll call was taken. The entire Commission was present, constituting a quorum.

2. DISCUSSION AND ACTION ON THE SELECTION OF A CHAIRPERSON AND A VICE CHAIRPERSON (1-010-A) - Commissioner Staub opened the nominations for Chairperson. Commissioner Crowell nominated Commissioner Raxter as Chairperson. Commissioners Staub and Brown seconded the nomination. Additional nominations were not made. Nominations were closed. The nomination was voted on and carried unanimously. Commissioner Staub turned the gavel over to Chairperson Raxter.

Commissioner Staub nominated Commissioner Brown for Vice Chairperson. Commissioner Crowell seconded the nomination. Additional nominations were not made. Nominations were closed. The nomination was voted on and carried unanimously.

3. DISCUSSION AND ACTION ON APPROVAL OF MINUTES - OCTOBER 22, 2004, AND JANUARY 26, 2005 (1-014-A) - Commissioner Crowell moved to approve the October 22, 2004, Minutes. Commissioners Staub and Brown seconded the motion. Motion carried 5-0.

Commissioner Hataway moved to approve the Minutes of January 26, 2005. Commissioner Crowell seconded the motion. Motion carried 5-0.

4. DISCUSSION AND ACTION ON A RESOLUTION CONCERNING THE SUBMISSION TO THE CARSON CITY DEBT MANAGEMENT COMMISSION OF PROPOSALS TO ISSUE GENERAL OBLIGATION DRAINAGE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$7,000,000 AND WATER BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$9,000,000; CONCERNING ACTION TAKEN THEREON BY THE COMMISSION; AND APPROVING CERTAIN DETAILS IN CONNECTION THEREWITH. (1-026-A) - Discussion between the Commission, Mr. Minton, and Mr. Providenti explained the bond amounts, their purpose including the increased cost to drill a well, the impact a drop in apartment construction created on the revenue stream for water connections, the utility rate increases, and the reasons for the water utility's net loss. The bonds will not be issued unless the Board approves the utility rate increases. Bond Counselor Stern explained the requirement that the bond coverage be one percent or more than that required

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for operations and maintenance. The bond ordinances also require the Board of Supervisors to maintain this ratio. Discussion indicated that if the 2005 revenue stream is below one percent, the bonds will not be issued. Mr. Providenti explained that fiscal year 2004 was an anomaly. Mr. Minton felt certain that the projected 2005 revenue stream will meet the revenue projections. A 7% rate increase is scheduled for implementation in April with a second 7% rate increase occurring in October. The proposed fee increase for the storm drainage utilities was explained. Discussion indicated the original storm water fee structure had been revised to assess each parcel based on its zoning rather than on a rate established on a square footage of impervious surface. Justification for the change was provided. The proposed storm water bond acquisitions were limned. Mr. Minton reiterated the commitment that the bonds will not be sold unless the proposed rate increase is approved by the Board of Supervisors. Commissioner Staub moved to approve Resolution No. 2005-DMCR-1, to issue General Obligation Drainage Bonds in the aggregate principal amount of not to exceed \$7 million and water bonds in the aggregate principal amount of not to exceed \$9 million. Commissioner Crowell seconded the motion. Motion carried 5-0.

5. DISCUSSION AND ACTION ON THE NEVADA DEPARTMENT OF TAXATION'S ANNUAL LOCAL GOVERNMENT INDEBTEDNESS REPORT AS OF JUNE 30, 2004 (1-306-A) -

Discussion noted that the City is below the maximum cap of \$3.64 and that Nye County is at the cap. The difference in the City's reported indebtedness and that contained in the previous bond information is due to the closure date for the State's report. It included bond issues which were paid off and, therefore, not carried in the previous item's bond information. Comments also indicated that the report may be used in discussing the tax caps with the Legislature. Discussion ensued on bills that may be submitted to the Legislature on the tax cap and ad valorem rates. A proposal to cap the annual ad valorem increase at six percent was explained by Ms. Ong. Discussion indicated this concept will restrict the bonding capacity for bonds without pledge revenue streams. Mr. Minton explained that this cap may impact the City's ability to fund indigent services. The City currently assesses the maximum amount allowed for supplemental indigent services. The assessed amount does not, however, cover the costs for these services. A second proposal that will impose a cap may be unconstitutional. Ms. Ong indicated that 14 options have been analyzed by her firm. A "white paper" on them has been placed on their web site. Its address was provided. Her partner, Guy Hobbs, plans to attend a legislative hearing on the proposals later in the week. Although she was uncertain of the meeting date and time, she felt that it was open to the public. No formal action was required or taken.

6. DISCUSSION AND ACTION SCHEDULING THE JULY MEETING, ANY SPECIAL MEETING DATES, AND THEIR TIMES, AND ESTABLISHING AGENDA ITEMS (1-305-A) -

Discussion selected July 11 at 4 p.m. for the annual meeting. Ms. McLaughlin was to find a location for the meeting. Mr. Minton indicated that a special meeting may be needed to consider a bond issue for the Sheriff's Administrative Facility. No formal action was taken.

7. CITIZEN COMMENTS AND DISCUSSION - DISCUSSION ONLY (1-334-A) - None.

8. COMMISSIONER COMMENTS - DISCUSSION ONLY (1-336-A) - None.

9. ADJOURNMENT (1-338-A) - Commissioner Hataway moved to adjourn. Commissioner Staub seconded the motion. Motion carried 5-0. Chairperson Raxter adjourned the meeting at 4:32 p.m.

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A tape recording of these proceedings is on file in the Clerk-Recorder's office. This tape is available for review and inspection during normal business hours.

The Minutes of the February 7, 2005, Carson City Debt Management Commission meeting

ARE SO APPROVED ON August 15, 2005.

/s/

Tracy Raxter, Chairperson