

CARSON CITY DEBT MANAGEMENT COMMISSION  
Minutes of the July 19, 1999, Meeting  
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A regularly scheduled meeting of the Carson City Debt Management Commission was held on Monday, July 19, 1999, at the Community Center Bonanza Room, 851 East William Street, Carson City, Nevada, beginning at 5:15 p.m.

PRESENT: Chair Larry Osborne, Vice Chair Robert Taylor, and Commissioners John McKenna, Tracy Raxter, and Robin Williamson

CITY STAFF PRESENT: Finance Director David Heath and Recording Secretary Katherine McLaughlin (D.M.C. 7/19/99 Tape 1-0001.5)

SCHOOL DISTRICT STAFF PRESENT: Superintendent Jim Perry, Operations Director Mike Mitchell, Personnel Director Mary Pierczynski

**1. CALL TO ORDER, ROLL CALL, AND DETERMINATION OF A QUORUM** - Chair Osborne convened the meeting at 5:15 p.m. Roll call was taken. A quorum was present although Commissioner Raxter had not yet arrived.

**2. DISCUSSION AND ACTION TO APPROVE THE MAY 17, 1999, MINUTES (1-0019.5)** - Commissioner McKenna moved to approve the Minutes. Commissioner Williamson seconded the motion. Motion carried 4-0.

**3. DISCUSSION AND ACTION ON MUNICIPALITIES ANNUAL REPORT, STATEMENT OF DEBT MANAGEMENT POLICY, PLAN FOR CAPITAL IMPROVEMENT AND CERTAIN INFORMATION REGARDING CHIEF FINANCIAL OFFICER, AND UPDATE OF INFORMATION AS REQUIRED IN NRS 350.0035 FOR:**

**B. CARSON CITY CONVENTION AND VISITORS' BUREAU; C. CARSON WATER SUBCONSERVANCY DISTRICT; AND E. CARSON CITY AIRPORT (1-0048.5) (1-0951.5)** - Chair Osborne noted their reports were in the packets. These entities do not have any debt at this time and do not plan to acquire any long term debt in the near future.

**F. CARSON-TAHOE HOSPITAL (1-0065.5)** - City Finance Director Heath indicated that the Hospital's information is contained within the City's budget. Chair Osborne requested a legal opinion regarding this inclusion. The information had previously been provided as a separate packet. The Statutes indicate that without this information the Commission could not consider a bond request. Mr. Heath agreed to obtain an opinion. (Commissioner Raxter arrived at 5:20 p.m. The entire Commission was present constituting a quorum.) (1-1238.5) Mr. Heath indicated the opinion would be provided before the February meeting.

**A. CARSON CITY SCHOOL DISTRICT (1-0101.5)** - Operations Director Mitchell highlighted his packet of information. A presentation regarding a potential bond issue will be made to the School Board late this fall for a bond which may be issued next summer. The bond is estimated to be in the \$10 to \$15 million range. It will provide for safety, educational, and equity related issues. Examples of these items were provided. New facilities will not be part of the bond due to the decreased growth rate. Additional capacity will be created by implementing a year-round school program. Discussion indicated the bond will be within the District's legal limits. Mr. Mitchell hoped that the bond issue will be tax neutral. Superintendent Perry described the term "tax neutral" and justification for this policy. It was felt that, with a wider tax base, adequate funding could be provided for the bond without increasing the ad valorem rate. School safety programs were limned. The costs and bond issue question will be resolved after the master plan is developed. The process visualized for developing the master plan will include public participation and direction on the prudent amount of safety features the community wishes to have in the school facilities. A school survey had been taken and was highlighted. Discussion noted the District currently has \$34,430,000 in outstanding bond issues which equates to 3.7 percent of its total assessed value.

Citizens' groups are to be established to consider safety issues at each school and to work with other juvenile agencies on community-wide goals. Commissioner Taylor complimented the District on the report. Chair Osborne thanked them for their attendance and the report and looked forward to discussing the bond with them at a future date.

**D. CARSON CITY (1-0525.5)** - City Finance Director Heath noted Kathy Ong's report on the impact all outstanding bond issues, including revenue bonds, would have on the ad valorem rate if those dedicated revenue sources were eliminated. This report had been requested by the Commission at its last meeting and been given to the Commission. (A copy is included in the file.) He then highlighted his report. Discussion indicated that the Hospital is not planning to issue any new bonds during the coming year. Mr. Heath indicated he would discuss the information requirements with the District Attorney's office. Discussion explained that the City and School District have separate bond limits. The ad valorem rate includes both tax rates. It was felt that the City's bond rate as a percentage of the assessed value may be the highest in the State at 8.62 percent; however, Carson City provides services, i.e., water and sewer, which the other cities/counties do not. The same problem is encountered when the city/county ad valorem rates are compared. External Auditor Kafoury, Armstrong recommended a working capital balance of \$3 million as being the appropriate amount for this fund. For this reason the sewer working capital fund is being used to meet bond payments. Reasons the working capital had grown to over \$5 million were explained. A sewer rate increase will not be requested until a reasonable working capital amount is reached. Comments expressed the feeling that the City was in a good bond financial position as indicated by the legal debt margin computations and that the policies/programs which had provided this position were sound. Chair Osborne thanked Mr. Heath for the report and attendance.

Following discussion on the type of motion required, Commissioner Taylor moved to accept the plans as submitted with the exception of the Carson-Tahoe Hospital. Commissioner Williamson seconded the motion. Motion carried 5-0.

**4. DISCUSSION REGARDING LEGISLATIVE CHANGES TO THE COMMISSION'S DUTIES AND QUALIFICATION REQUIREMENTS (1-1008.5)** - Mr. Heath expressed staff's intent to provide whatever technical services are required. Discussion indicated that the qualification requirements for the Commissioners would be mandated after the 2000 census have been certified and accepted by the counties. This may be during mid-2001. It would not impact the current Commissioners nor their terms and as the Commissioners presently meet those qualification standards. Mr. Heath explained Senate Bill 433 mandating the filing of a five year capital improvement plan and its funding means. Previous requirements had mandated a three year plan. He also explained Assembly Bill 299 regarding medium-term obligations. Chair Osborne thanked him for the report.

**5. DISCUSSION AND ACTION TO SELECT THE FEBRUARY MEETING DATE AND TIME (1-1122.5)** - The next regularly mandated meeting is for a February date. A special meeting, if a bond request is submitted, may be held at any time. Following discussion on several meeting dates, February 28th was selected and the time set for 5:15 p.m. The location is to be determined.

**6. CITIZEN COMMENTS (1-1225.5)** - None.

**7. COMMISSIONER COMMENTS (1-1230.5)** - None.

**8. ADJOURNMENT (1235.5)** - Commissioner Raxter moved to adjourn. Commissioner McKenna seconded the motion. Motion carried 5-0. Chair Osborne adjourned the meeting at 5:50 p.m.

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 July 19, 1999, Carson City Debt Management Commission meeting

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2000.

ARE SO APPROVED ON \_\_\_February\_28,

\_/s/ \_\_\_\_\_

Larry Osborne, Chairperson