

CARSON CITY DEBT MANAGEMENT COMMISSION
Minutes of the July 16, 2001, Meeting
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A regularly scheduled meeting of the Carson City Debt Management Commission was held on Monday, July 16, 2001, at the Community Center Bonanza Room, 851 East William Street, Carson City, Nevada, beginning at 5:15 p.m.

PRESENT: Chairperson Larry Osborne, Vice Chairperson Tracy Raxter, and Commissioners Ken Brown, John McKenna, and Richard S. Staub

STAFF PRESENT: Deputy Finance Director Tom Minton and Recording Secretary Katherine McLaughlin (D.M.C. 7/16/01 Tape 1-0001.5)

OTHERS PRESENT: Superintendent of Schools Mary Piercznski and Fiscal Services Director Bob Anderson; Hospital Chief Accountant Kurt Disney; and Bond Counsellor Kendra Follett

1. CALL TO ORDER, ROLL CALL AND DETERMINATION OF A QUORUM - Chairperson Osborne convened the meeting at 5:15 p.m. Roll call was taken. The entire Commission was present constituting a quorum.

2. DISCUSSION AND ACTION TO APPROVE THE APRIL 10, 2001, SPECIAL MEETING MINUTES (1-0027.5) - Commissioner Raxter moved to approve. Commissioner McKenna seconded the motion. Motion carried 5-0.

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:

A. CARSON WATER SUBCONSERVANCY DISTRICT (1-0040) - The District's letter indicated funding sources and needs would not change. Therefore, they would not need to levy any general obligation debt. Discussion indicated that action would be taken on the reports as a group.

B. CARSON CITY (1-0067) - Deputy Finance Director Tom Minton explained that the policy had not changed. The report is arranged by funding source. The projects include the Five Year Capital Improvement Program. Discussion indicated that a various purpose bond would be sold on Wednesday for the Redevelopment Authority's projects, a Senior Citizen Center expansion project, and to acquire landfill equipment. These bonds had been approved at the April meeting. A water and sewer bond issue will be sold after the first of the year. It was felt that these bonds would have a total value of between \$3.7 and \$3.8 million. These totals are listed on Pages 4 and 8 of the City's report. Discussion also referenced Page 21 which lists the City's capacity for future General Obligation Debt without exceeding the debt limit.

D. CARSON-TAHOE HOSPITAL (1-0215.5) - Chairperson Osborne indicated that the information furnished by the Hospital does not comply with the NRS requirements. Some of the Hospital's information is contained in the City's report. Hospital Chief Accountant Kurt Disney explained Chief Financial Officer Michael Blair's absence. He corrected Page 19 of the City's report to indicate that the \$2.7 million figure was only one year's worth of outstanding revenue bonds. The total amount of Hospital indebtedness as of

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June 30, 2001, is \$25,018,480. This consists of General Obligation Bonds, Revenue Bonds, and Capital Lease Purchases. He distributed a revised schedule of indebtedness to the Commission and Clerk. (A copy is in the file.) These bonds will be defeased and new debt issued if the Hospital becomes a non-profit corporation. Mr. Minton indicated that none of these bonds are callable at this time. Therefore, an irrevocable escrow will be established and funding deposited in it. Payments will be made from this account. Mr. Minton felt that the process removes the debt from the City's books and that this debt is not assessed against the City's debt limit. He agreed to provide documentation to the Commission when the transfer occurs illustrating this change. Mr. Disney felt that the report indicates there is a potential funding request in 2003 for \$14 million in revenue bonds for capital expenditures. Chairperson Osborne pointed out that this may place the City at the top of its bonding capacity. Commissioner Staub indicated the Hospital transfer currently has a September 30 deadline.

C. CARSON CITY AIRPORT (1-0445) - The Airport Manager's letter indicates the Airport does not anticipate any long term debt obligation in fiscal year 2001-2002. Discussion noted the NRS requirement is for a five year projection. Mr. Minton indicated the Airport depends on the FAA for large grants for its multi-year projects. The Airport does not have any other income sources for such projects.

E. CARSON CITY SCHOOL DISTRICT (1-0511) - School District Fiscal Services Director Bob Anderson indicated the current debt obligation totals \$37,450,000. A \$9,000,000 bond issue will be marketed after the first of the year. Revenue from the Motor Vehicle Privilege Tax funds are used for capital improvements. Some of these funds will be carried forward in the second and third years and will be used to complete the bond projects in the fourth and fifth years. Chairperson Osborne complimented him on the informational packet. Mr. Anderson explained the desire to issue the bonds when the interest rates are "most favorable" after the first of the year. Comments discussed the School District's decision to issue the bonds in two increments. Superintendent Mary Piercznski indicated that the heating and ventilation improvements are ahead of schedule. Commissioner McKenna explained that the two bond issues will provide lower interest rates.

F. CARSON CITY CONVENTION AND VISITORS' BUREAU (1-0636) - The Bureau's information indicates it does not have any debt and does not plan to incur any in the foreseeable future.

Commissioner McKenna moved to approve the annual reports for those entities. Commissioner Staub seconded the motion. Motion carried 5-0. Chairperson Osborne thanked the staff members for their reports and attendance.

4. DISCUSSION AND UPDATE ON THE 2001 NEVADA LEGISLATIVE SESSION (NO ACTION WILL BE TAKEN) (1-0675) - Bond Counsellor Kendra Follett summarized the synopsis of Senate Bill 123. (A copy is included in the file.) Discussion ensued regarding an entity's ability to reserve a portion of its operating rate for future projects. The Commission is responsible for resolving any conflicts arising from another entity's desire to use a portion of the reserved operating rate or to issue bonds that will impact another entity.

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Chairperson Osborne explained Finance Director David Heath's recommendation that the Commission consider the action requests for SB 123 at a future meeting. He also noted reasons the Debt Management Commission had been given more responsibilities and cited SB 553 as an illustration of the requirements. Ms. Follett then reviewed the synopsis on SB 553. (A copy is in the file.) Discussion indicated that bonds which have been approved by the Commission but not issued should be included in a note in the report regarding bonded indebtedness. The School District's report was cited as an example of how this note could be handled. Ms. Follett indicated that an opinion would not be issued without obtaining the Commission's approval on bonds which have not been issued within 36 months of the time when approved by the Commission. No formal action was required or taken.

5. DISCUSSION AND ACTION ON SENATE BILL 123 OF THE 2001 NEVADA LEGISLATIVE SESSION (1-1220) - Chairperson Osborne explained the recommendation that the Commission continue this item until late September when the status of the Hospital's proposed non-profit corporation will be known and the impact better understood. It will also provide time for the City to obtain information from other entities on the action they had taken. Commissioner McKenna supported continuing the matter. Chairperson Osborne pointed out the amount of operating room available for the City and indicated a desire to see what other entities who may be closer to the cap are doing. The cap may be raised by the Legislature during the next session. Commissioner Raxter supported the continuance. Chairperson Osborne asked staff to obtain information from other entities and to agendize a meeting in late September for action on SB 123 and that the Hospital make a presentation on the bond questions. At Ms. Follett's request for formal action, Commissioner McKenna moved to defer action to a meeting of the DMC in September or any other date as specified by the Chair before the next annual meeting. Commissioners Raxter and Brown seconded the motion. Motion carried 5-0.

6. DISCUSSION AND ACTION TO SELECT A FEBRUARY MEETING DATE AND TIME (1-1400) - Commissioner Staub moved to defer action on the selection of a meeting date until the September meeting. Commissioner Brown seconded the motion. Motion carried 5-0.

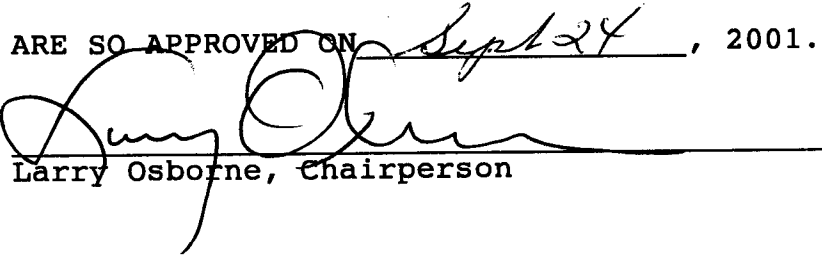
7. CITIZEN COMMENTS (1-1415) - None.

8. COMMISSIONER COMMENTS (1-1423) - None.

9. ADJOURNMENT (1-1427) - Commissioner Raxter moved to adjourn. Commissioner McKenna seconded the motion. The motion to adjourn was voted and carried 5-0. Chairperson Osborne adjourned the meeting at 6 p.m.

The Minutes of the July 16, 2001, Carson City Debt Management Commission meeting

ARE SO APPROVED ON Sept 24, 2001.


Larry Osborne, Chairperson