

CARSON CITY DEBT MANAGEMENT COMMISSION

Minutes of the October 22, 2004, Meeting

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A special meeting of the Carson City Debt Management Commission was held on Friday, October 22, 2004, at the Capitol Conference Room at City Hall, 201 North Carson Street, Carson City, Nevada 89701, beginning at 12:15 p.m.

PRESENT: Chairperson Tracy Raxter, Vice Chairperson Ron Brown, and Commissioners Bob Crowell, Larry Osborne, and Richard S. Staub

STAFF PRESENT: Treasurer Al Kramer, Finance Director Tom Minton, Senior Accounting Manager Nick Providenti, Recording Secretary Katherine McLaughlin (D.M.C. 10/22/04 Tape 1-0011)

OTHERS PRESENT: Bond Counselor Jennifer Stern, Financial Consultants Scott Nash and Jason Matthews

1. CALL TO ORDER, ROLL CALL AND DETERMINATION OF A QUORUM - Chairperson Raxter convened the meeting at 12:15 p.m. Roll call was taken. The entire Commission was present, constituting a quorum.

2. DISCUSSION AND ACTION ON APPROVAL OF MINUTES - JULY 26, 2004 (1-0015) - Discussion between Commissioner Osborne and Mr. Minton indicated that he had received the V&T Railway's report and that Mr. Minton would forward a copy to the Commissioners. Mr. Minton pointed out that the V&T did not have any outstanding debt. Commissioner Staub moved to approve. Commissioners Crowell and Brown seconded the motion. Motion carried 5-0.

3. DISCUSSION AND POSSIBLE ACTION TO ADOPT A RESOLUTION CONCERNING THE SUBMISSION TO THE CARSON CITY DEBT MANAGEMENT COMMISSION BY CARSON CITY, NEVADA, ON A PROPOSAL TO ISSUE GENERAL OBLIGATION PARK BONDS IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$7,000,000; CONCERNING ACTION TAKEN THEREON BY THE COMMISSION; AND APPROVING CERTAIN DETAILS IN CONNECTION THEREWITH (1-0031) - Mr. Minton introduced Financial Consultant Jason Matthews. Mr. Matthews recapped the bond documents, specifically, Pages 3, 4, and 5. Bond Counselor Jennifer Stern explained the City's ability to use a portion of the electorate and legislative approved sales tax for the proposed purpose. Mr. Minton explained a District Attorney's opinion that the replacement lighting at Governor's Field would not be allowed. The opinion indicates that the work must be new. Treasurer Al Kramer explained that the General Fund will have to pay for the replacement lighting. Discussion between the Commission and Mr. Minton explained the projects that will be paid for with Question 18 funds. The bond request will modify the Capital Improvement Debt Management Plan and the Statements of Current and Contemplated Debt. The Parks and Recreation Commission's list of projects for construction with the bond monies will be pared down to match the construction costs. The project list was not in priority order. It included \$3.5 million for a gym, \$1.5 million for the Centennial Sports Complex, \$500,000 for trails, \$750,000 for the theater, \$600,000 for the Fairgrounds and Fuji Park, \$500,000 for the Edmonds Sports Complex, \$1 million for a roller hockey facility, and \$1.4 million for lighting the softball fields at Governor's Field. This totals \$8.3 million. Commissioner Staub believed that the top priorities were the new gym and Governor's Field. Mr. Minton explained that a safety audit indicated the light poles are failing and need to be replaced. The Capital Improvement Plan does not have to be approved by the Board of Supervisors as the

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Board's resolution authorized Mr. Minton to make changes to the Plan as necessary. Commissioner Osborne pointed out that the Question 18 funds are being pledged to pay the bonds in addition to other City revenue as it is General Obligation Bond. Ms. Stern explained that the Board's ordinance establishes that the Question 18 revenues will be used to repay the bonds. If this revenue is inadequate, then the General Fund will make up the difference. If these funds are inadequate, then an ad valorem tax increase generating the funds will be levied the following fiscal year. Mr. Kramer explained that using General Obligation Bonds provides a lower interest rate. Discussion explained the issuance fees and that their costs may total \$160,000. These fees are considered reasonable and customary. The bond payments on Page 4 show the total bond issue costs including interest. The interest was estimated at a rate of 5.2 percent. Bonds issued today were in the range of 4.6 to 4.7 percent. A medium term bond for \$3.1 million has been issued and is being repaid by Question 18. It is a separate issue from the proposed bond. It did not have to be approved by the Commission. Commissioner Staub moved to adopt Resolution 2004-DMCR-1, A RESOLUTION CONCERNING THE SUBMISSION TO THE CARSON CITY DEBT MANAGEMENT COMMISSION BY CARSON CITY, NEVADA, A PROPOSAL TO ISSUE GENERAL OBLIGATION BONDS IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$7,000,000. Commissioners Crowell and Brown seconded the motion. Motion carried 5-0.

4. CITIZEN COMMENTS (1-0330) - None.

5. ADJOURNMENT (1-0334) - Commissioner Crowell moved to adjourn. Commissioner Brown seconded the motion. Motion carried 5-0. Chairperson Raxter adjourned the meeting at 12:35 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 October 22, 2004, Carson City Debt Management Commission meeting

ARE SO APPROVED ON February 7, 2005.

/s/
Tracy Raxter, Chairperson