

CARSON CITY DEBT MANAGEMENT COMMISSION

Minutes of the February 27, 2002, Meeting

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A regular meeting of the Carson City Debt Management Commission was held on February 27, 2002, at the Capitol Conference Room at the City Hall, 201 North Carson Street, Carson City, Nevada beginning at 12:15 p.m.

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

**STAFF PRESENT:** Finance Director David Heath and Recording Secretary Katherine McLaughlin (D.M.C. 2/27/02 Tape 1-0001)

**1. CALL TO ORDER, ROLL CALL AND DETERMINATION OF A QUORUM -**

Former Chairperson Osborne 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 THE SELECTION OF A CHAIRPERSON AND VICE CHAIRPERSON (1-0005)** - Discussion indicated that a change in the elected officers was not desired. Commissioner McKenna moved to retain the current officers. Commissioner Staub seconded the motion. Motion carried unanimously.

**3. DISCUSSION AND ACTION ON APPROVAL OF MINUTES - SEPTEMBER 24, 2001 (1-0021)** - Commissioner Raxter moved to approve the Minutes of the September 24<sup>th</sup> meeting. Commissioner McKenna seconded the motion. Motion carried 5-0.

**4. DISCUSSION AND ACTION ON THE NEVADA DEPT. OF TAXATION'S ANNUAL LOCAL GOVERNMENT INDEBTEDNESS REPORT AS OF JUNE 30, 2000, AND 2001 (1-0028)** - Mr. Heath had received the 2001 report and had asked that the agenda be amended to include it. Discussion explained the City's debt margin and pointed out the change created by the defeasance of the Hospital Bonds. The majority of the City's bonds have been issued for water and sewer bonds. Discussion also noted the Schools bonds and that the interest on this year's \$9 million issue was at 5 percent. The Convention and Visitors Bureau has the ability to issue \$30 million in bonds based on its room tax revenue. It was felt that the Bureau does not plan on issuing any debt. Comments pointed out the Commission's unsuccessful efforts to have the Bureau submit reports. The City issues revenue bonds for the Redevelopment District due to its ability to obtain a lower interest rate. Its assessed value will go from \$12.7 million to \$18 million due primarily to the Ormsby House. Discussion further explained the impact the defeasance of the Hospital Bonds will have on the City's debt level and explained the status of the Hospital's conversion to a nonprofit corporation. It was felt that this would be completed on March 1. Their bonds are to be issued at less than 6 percent. The escrow account has been established. The facilities will belong to the 501c3. Discussion pointed out the deed restrictions on the property. A final decision on what to do with the facility when the new regional facility is constructed has yet to be made. It was felt that the plan is to continue using the building(s) for

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other medical facilities. They will not pay ad valorem taxes as a 501c3. They cannot sell the facility outright as the deed restrictions require it to revert back to the Waters family when the property is no longer used as a public medical facility. Comments expressed a desire to have the property on the tax rolls. Commissioner Staub felt that the 501c3 had established a real estate division, which will be separate from the health system and may be taxable. Due to the deed restrictions, the current facility reverts to the City and is to be used as a health care facility if the Hospital abandons it. Comments questioned whether it could be used as a medical college facility, a public facility, or provide consolidated health care services. Commissioner McKenna pointed out that if the property reverts to the Waters family, it will be placed on the tax rolls. It was felt that the report provided a good comparison with other entities. No formal action was required or taken.

**5. DISCUSSION AND ACTION SCHEDULING THE JULY AND ANY SPECIAL MEETING DATES, TIMES, AND ESTABLISHING AGENDA ITEMS (1-0176) -**

Discussion scheduled the July meeting for July 15<sup>th</sup> at the Sierra Room at the evening 5:15 p.m. if possible. If the Sierra Room is available during the week of July 15<sup>th</sup> but not on the 15<sup>th</sup>, the meeting is to be moved to that date. Discussion also added the Hospital defeasance to the agenda for final closure of that item. It was felt that there would not be a special meeting unless necessary due to the impact of the Safe Drinking Water Act on the Water Utility. The budget process may dedicate funds to a new sheriff's facility. Discussion indicated that refinancing of the Graves Lane Bond did not require consideration by the Commission and that a survey had supported spending more money to resolve the City's traffic problems. The School District may bring something to the Commission this spring. No formal action was required or taken.

**6. CITIZEN COMMENTS (1-0251) - None.**

**7. ADJOURNMENT (1-0253) -** Commissioner Staub moved to adjourn. Commissioner Brown seconded the motion. Motion carried unanimously. Chairperson Osborne adjourned the meeting at 12:30 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 February 27, 2002, Carson City Debt Management Commission meeting

ARE SO APPROVED ON April 25, 2002.

/s/  
Larry Osborne, Chairperson