



WASHOE COUNTY

Integrity Communication Service

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STAFF REPORT

BOARD MEETING DATE: June 23, 2020

DATE: Thursday, June 18, 2020

TO: Board of County Commissioners

FROM: Christine Vuletich, Assistant County Manager, Finance and Administration
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THROUGH: Eric P. Brown, County Manager
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SUBJECT: Recommendation to adopt an ordinance authorizing the issuance of the "Washoe County, Nevada, General Obligation (Limited Tax) Nevada Shared Radio System Bonds (Additionally Secured by Pledged Revenues), Series 2020," to acquire, construct, improve and equip building projects as defined in NRS 244A.019 within the County; providing the form, terms and conditions of the bonds and other details in connection therewith; and adopting it as if an emergency now exists [in the maximum principal amount of \$15,000,000]. (All Commission Districts.)

SUMMARY

The Board of County Commissioners is being requested to adopt an ordinance authorizing the issuance of the Washoe County, Nevada, General Obligation (Limited Tax) Nevada Shared Radio System Bonds (Additionally Secured by Pledged Revenues), Series 2020, ("the Bonds") in the maximum principal amount of \$15,000,000 for construction of the new State-wide interoperable public safety communications system, the Nevada Shared Radio System (NSRS).

Washoe County Strategic Objective supported by this item: Stewardship of our community.

PREVIOUS ACTION

On May 19, 2020 the Board of County Commissioners held a public hearing on the intent of the Board to issue the Washoe County, Nevada, General Obligation (Limited Tax) Nevada Shared Radio System Bonds (Additionally Secured By Pledged Revenues) in the maximum principal amount of \$15,000,000 to acquire, construct, improve and equip building projects as defined in NRS 244A.019 within the County.

AGENDA ITEM # _____

On March 20, 2020, The Board of County Commissioners adopted a Resolution of Intent, proposing the issuance of, and authorizing the publication of notices relating to General Obligation (Limited Tax) Nevada Shared Radio System Bonds (additionally secured by pledged revenues) in the maximum principal amount of \$15,000,000 to acquire, construct, improve and equip building projects as defined in NRS 244A.019 within the County; providing the manner, form and contents of the notices thereof; providing other matters properly related thereto; and providing the effective date hereof.

On February 28, 2020, the Washoe County Debt Management Commission met, and adopted a resolution approving the County's proposal for issuance of the Bonds finding that the provisions of NRS 350.013 to 350.015, inclusive, have been met.

On January 21, 2020, the Board of County Commissioners (the "Board") adopted a resolution directing the Clerk to notify the Washoe County Debt Management Commission (DMC) of the County's proposal to issue general obligation bonds in the maximum principal amount of \$15,000,000 for construction of the new state-wide interoperable public safety communications system.

On September 19, 2018, the Board approved the System Purchase Agreement between Washoe County and Harris Corporation, Communications System Segment to construct the system infrastructure required for the replacement of the County's portion of the of the Land Mobile Radio (LMR) public safety radio system.

On May 9, 2017, the Board approved the Nevada Shared Radio System (NSRS) contract by and between the State of Nevada acting through its Department of Transportation (NDOT), NV Energy, and Washoe County, as recommended by the Joint Operating Committee (JOC) of the Washoe County Regional Communications System (WCRCS).

BACKGROUND

The WCRS has operated under the terms and provisions of an interlocal agreement dated October 1999. This 800-Megahertz analog public safety radio system which currently serves various Washoe County departments and offices, and more than 17 participating and sponsored regional agencies, is at "end-of-life". Washoe County has committed to building the NSRS, a statewide interoperable public safety Project 25 Phase II (P25 technology) communications system in partnership with NDOT and NV Energy. Staff is requesting the Board to adopt this ordinance authorizing the issuance of the bonds to finance the construction of the new system. If the Board adopts the bond ordinance, the bond sale would be scheduled to occur the week of July 20th, and the bond closing would occur the week of August 3rd.

FISCAL IMPACT

\$2,000,000 in system construction costs were funded in fiscal years 2019 and 2020, with Washoe County contributing \$1,250,000 and \$750,000 contributed from the Regional Communications System Infrastructure Fund approved by the JOC. Upon Board approval of

the System Purchase Agreement in 2018, the remaining funding to complete the project was planned to be obtained from debt financing. The maximum principal amount of proposed Bonds to be sold is \$15,000,000.

The revenue source for repayment of the proposed bonds is from system infrastructure rates paid by Washoe County and the other agencies who utilize the system under an interlocal agreement. Each agency, including Washoe County, will pay their proportionate share of debt service based on their number of public safety radios. Washoe County's proportionate share is approximately 26.4%. Agencies may also choose to cash fund their share of the capital costs prior to issuance of the bonds, which would reduce the principal amount of the bonds issued. The interlocal agreement also requires each agency participating in the financing to make an additional annual payment of 10% of their annual debt service into a reserve fund until the fund accumulates an amount equal to a maximum of one year of debt service. The bonds would be additionally secured by a pledge of Consolidated Tax (C-Tax) revenues.

RECOMMENDATION

It is recommended that the Board of County Commissioners adopt an ordinance authorizing the issuance of the "Washoe County, Nevada, General Obligation (Limited Tax) Nevada Shared Radio System Bonds (Additionally Secured by Pledged Revenues), Series 2020," to acquire, construct, improve and equip building projects as defined in NRS 244A.019 within the County; providing the form, terms and conditions of the bonds and other details in connection therewith; and adopting it as if an emergency now exists.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be: "Move to adopt an ordinance authorizing the issuance of the "Washoe County, Nevada, General Obligation (Limited Tax) Nevada Shared Radio System Bonds (Additionally Secured by Pledged Revenues), Series 2020," to acquire, construct, improve and equip building projects as defined in NRS 244A.019 within the County; providing the form, terms and conditions of the bonds and other details in connection therewith; and adopting it as if an emergency now exists.