



WASHOE COUNTY

Integrity Communication Service

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STAFF REPORT

BOARD MEETING DATE: July 9, 2019

DATE: Tuesday, July 02, 2019
TO: Board of County Commissioners
FROM: Lori Cooke, Budget Manager
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THROUGH: Christine Vuletich, Assistant County Manager
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SUBJECT: Recommendation to approve Washoe County's Debt Management Policy as of June 30, 2019. (All Commission Districts)

SUMMARY

State law (NRS 350.013) requires that "on or before August 1 of each year, the governing body of a municipality which proposes to issue or has outstanding any general obligation debt, other general obligations or special obligations, or which levies or proposes to levy any special elective tax, shall submit to the Department of Taxation and the [debt management] commission ... a written statement of the debt management policy of the municipality." Therefore, staff is recommending that the Board of County Commissioners approve the attached debt management policy as of June 30, 2019.

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

PREVIOUS ACTION

On July 10, 2018, the Board of County Commissioners approved the County's debt management policy as of June 30, 2018.

On July 25, 2017, the Board of County Commissioners approved the County's debt management policy as of June 30, 2017.

On July 26, 2016, the Board of County Commissioners approved the County's debt management policy as of June 30, 2016.

On July 14, 2015, the Board of County Commissioners approved the County's debt management policy as of June 30, 2015.

BACKGROUND

NRS 350.013(1) (c) requires that on or before August 1 of each year, the governing body of a municipality which either proposes to issue new debt or has outstanding debt to submit to the Department of Taxation and the county debt management commission a written statement of the debt management policy of the municipality. The policy must include:

AGENDA ITEM # _____

1. A discussion of its ability to afford existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt;
2. A discussion of its capacity to incur authorized and proposed future general obligation debt without exceeding the applicable debt limit;
3. A discussion of its general obligation debt that is payable from property taxes per capita as compared with such debt of other municipalities in this State;
4. A discussion of its general obligation debt that is payable from property taxes as a percentage of assessed valuation of all taxable property within the boundaries of the municipality;
5. Policy regarding the manner in which the municipality expects to sell its debt;
6. A discussion of its sources of money projected to be available to pay existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt; and
7. A discussion of its operational costs and revenue sources, for the ensuing 5 fiscal years, associated with each project included in its capital improvement plan if those costs and revenues are expected to affect the property tax rate.

The attached policy, which was drafted with the assistance of the Comptroller's Office, Community Services Department and the County's disclosure agent, Zions Bank Public Finance, fulfills these requirements.

FISCAL IMPACT

There is no financial impact associated with the filing of this Debt Management Policy. The policy itself cannot authorize the issuance of any new debt. State law specifies very specific steps for the authorization of debt including separate adoption by the Board of County Commissioners of a bond resolution and bond ordinance.

The County is significantly below its legal debt capacity limit, and has strong coverage for its general obligation debt. As of the date of this document, the County does not have current authorization to issue additional debt. However, the County has issued a Notice of Intent to issue up to \$50 million of bonds through the State of Nevada Revolving Fund Program ("SRF") with anticipated issuance of \$35 million in fiscal year 2020, and the remaining \$15 million in fiscal year 2022. Further, based on FY20 market conditions and other considerations, the County reserves the privilege of issuing the bonds or other securities at any time legal requirements are satisfied.

RECOMMENDATION

It is recommended that the Board of County Commissioners approve the attached Debt Management Policy for Washoe County as of June 30, 2019. If approved, staff will submit the adopted policy to the county debt management commission and Department of Taxation by August 1.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be: "Move to approve Washoe County's Debt Management Policy as of June 30, 2019."