



WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: February 13, 2018

DATE: Wednesday, February 07, 2018

TO: Board of County Commissioners

FROM: Cathy Hill, Comptroller
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THROUGH: Christine Vuletich, Assistant County Manager
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SUBJECT: Recommendation to create the agency fund "Washoe County School District 2017C Fund" to track the investment of a \$200 million bond proceeds for the Washoe County School District (All Commission Districts).

SUMMARY

On November 8, 2016, registered voters of Washoe County approved the imposition of an increased tax of 0.54% on the gross receipts of any retailer from the sale of all tangible personal property sold at retail, or stored, used or otherwise consumed in Washoe County. The proceeds of this increase to the sales and use tax are restricted to the acquisition, construction, repair and renovation of Washoe County School District's school facilities. The Board of County Commissioners adopted ordinance 1590, Bill No. 1774 imposing the taxes upon approval of the voters.

On November 21, 2017, the Washoe County School District sold \$200 million of General Obligation School Improvement Bonds. These bonds are secured by the Pledged Revenues obtained by the 0.54% increased sales tax. Washoe County School District has requested that the proceeds of this bond sale be invested in the Washoe County's Investment Pool and tracked separately from other investments.

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

PREVIOUS ACTION

On July 23, 2002, the Board of County Commissioners approved board item, "Interlocal agreement – Washoe County School District – Investment Services – Treasurer" (02-802) concerning a mutually acceptable investment agreement outlining conditions under which the County shall invest certain funds for the School District.

On October 12, 2010, The Board of County Commissioners approved board item (7K(1)), "Interlocal Agreement to invest Washoe County School District funds in the

AGENDA ITEM # _____

Washoe County Investment Pool and authorizes the County's Treasurer to invest WCSD funds by pooling it with monies of the County for investment in the County's Investment Pool." (10-943)

On March 22, 2016, the Board of County Commissioners (Board) adopted a resolution designated as the "2016 School Financing Election Resolution", approving the submittal of a question to the registered voters of Washoe County at the General Election on Tuesday, November 8, 2016, concerning the imposition of an increased sales and use tax rate of 0.54%. This was done consistent with the requirements of Senate Bill 411 of the 78th Legislature session.

On November 29, 2016, the Board of County Commissioners approved the request by the County Manager's Office through the County to amend the Washoe County Code (Chapter 21) to enact the increase to the County's sales and use tax rate as approved by voters in Washoe County on November 8, 2016, and directed the Clerk to submit the request to the District Attorney for preparation of a proposed ordinance pursuant to Washoe County Code 2.04

On January 10, 2017, the Board of County Commissioners approved the introduction and first reading of the Ordinance No. 1590, bill No. 1774 imposing additional sales and use taxes as required by the passage of S.B. 411 of the 78th Nevada legislature and Washoe County Question 1 (2016) by amending chapter 21 of the Washoe County Code.

On January 24, 2017, the Board of County Commissioners approved the second reading and adoption of Ordinance No. 1590, Bill No. 1774.

BACKGROUND

The Washoe County Public Schools Overcrowding and Repair Needs Committee ("Committee") was created by resolution of the Washoe County School Board of Trustees pursuant to Senate Bill 411 of the 78th Nevada Legislature session. This Committee was created to address overcrowding and repair needs in the Washoe County School District. The Committee was charged with preparing and submitting its recommendations to the Board of County Commissioners for the imposition of one or more taxes in Washoe County to provide funding for capital projects for the School District.

The Committee unanimously voted to recommend the imposition of an increased tax of 0.54% on the gross receipts of any retailer from the sale of all tangible personal property sold at retail, or stored, used or otherwise consumed in the County. The Committee adopted its recommendation on March 4, 2016, which confirmed the above referenced tax and requested that the Board of County Commissioners place Question 1 (2016) on the ballot. On November 8, 2016, registered voters of Washoe County approved the imposition of the increased tax of 0.54%. In accordance with Senate Bill 411, the Board of County Commissioners adopted Ordinance No. 1590, Bill No. 1774 imposing the taxes upon approval of the voters.

On November 21, 2017, Washoe County School District sold General Obligation (Limited Tax) School Improvement bonds (Additionally Secured by Pledged Revenues), Series 2017C. The Par amounts of these bonds were \$200 million.

FISCAL IMPACT

There is no fiscal impact to the County related to the imposition of this investment other than a small cost of staff time to distribute the investment earnings monthly.

RECOMMENDATION

It is recommended that the Board of County Commissioners create the agency fund, Washoe County School District 2017C fund and that the Comptroller's Department is directed to establish the fund on the official books and records of Washoe County for the purpose of accounting for the Washoe School District 2017C Bond sale fund and interest earnings on the assets of the fund and the expenditures and disbursements from the fund.

POSSIBLE MOTION

Should the Board approve, a possible motion would be: "Recommended that the Board of County Commissioners create the agency fund, Washoe County School District 2017C fund and that the Comptroller's Department is directed to establish the fund on the official books and records of Washoe County for the purpose of accounting for the Washoe School District 2017C Bond sale fund and interest earnings on the assets of the fund and the expenditures and disbursements from the fund."