



WASHOE COUNTY

Integrity Communication Service

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STAFF REPORT

BOARD MEETING DATE: January 21, 2020

DATE: Tuesday, January 14, 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 a resolution directing the Clerk to notify the Washoe County Debt Management Commission of the County's proposal to issue its 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] for public safety projects: providing certain details in connection therewith; and providing the effective date hereof. (All Commission Districts.)

SUMMARY

Staff is recommending that the Board of County Commissioners (the "Board") adopt a resolution directing the Clerk to notify the Washoe County Debt Management Commission 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, the P-25 Nevada Shared Radio System (NSRS).

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

PREVIOUS ACTION

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).

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 Washoe County portion of the of the Land Mobile Radio (LMR) public safety radio system.

AGENDA ITEM # _____

BACKGROUND

The current regional public safety communications system was established and has operated under the terms and provisions of the Washoe County Regional Communications System Interlocal Agreement dated October 1999. The existing 800-Megahertz analog system which currently serves various Washoe County departments and organizational units, and more than 20 participating and sponsored agencies, is at “end-of-life”. Washoe County has committed to building the NSRS, a statewide interoperable public safety Project 25 Phase II communications system in partnership with NDOT and NV Energy. Staff is requesting the Board to adopt this resolution as the first step in the financing of the new (NSRS). Upon DMC approval the bond issuance process would begin, including BCC adoption of a Resolution of Intent and Sale Resolution, a public hearing, BCC adoption of a Bond Ordinance, and the bond closing would occur in July 2020.

FISCAL IMPACT

Construction of the NSRS began in Fiscal Year 2019. To date, Washoe County has paid for \$1,250,000 of this construction on a pay-as-you go basis, and the JOC approved an additional \$750,000 from the Regional Communications System Infrastructure Fund, for a total of \$2,000,000 in funding for Fiscal Years 2019 and 2020 combined. When the Board approved 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 Washoe County, Nevada General Obligation (Limited Tax) Nevada Shared Radio System Bonds (additionally secured by pledged revenues) to be sold is \$15,000,000. The repayment source for the proposed bonds is from P25 system infrastructure contribution rates paid by the partner and sponsored agencies who utilize the public safety radio system based upon each agency’s proportionate number of radios in use at the time of bond issuance, plus an additional 10% per year which will be placed into a debt service reserve fund. The bonds would be additionally secured by a pledge of Consolidated Tax (C-Tax) revenues. Exhibit B to the proposed resolution includes the Revenue Study outlining the estimated total annual debt service, and debt service coverage for the County’s existing and proposed C-Tax backed bonds.

RECOMMENDATION

It is recommended that the Board, adopt a resolution directing the Clerk to notify the Washoe County Debt Management Commission of the County’s proposal to issue its 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 for public safety projects: providing certain details in connection therewith; and providing the effective date hereof.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be: "Move to adopt a resolution directing the Clerk to notify the Washoe County Debt Management Commission of the County’s proposal to issue its 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 for public safety projects: providing certain details in connection therewith; and providing the effective date hereof.