WASHOE COUNTY DEBT MANAGEMENT COMMISSION

QUARTERLY MEETING

FRIDAY 1:00 P.M. MAY 8, 2026

PRESENT:

Naomi Duerr, Reno City Council, Chair
Susan Severt, GID Representative, Member
Christine Hull, Washoe County School District, Member (via Zoom)
Brian Erbis, At-Large Member

Janis Galassini, County Clerk
Trenton Ross, Deputy District Attorney

ABSENT:

Eugenia Bonnenfant, At-Large Member, Vice Chair
Jeanne Herman, Washoe County Commissioner, Member
Joe Rodriguez, Sparks City Council, Member

The Washoe County Debt Management Commission convened at 1:00 p.m. in regular session in the Caucus Room of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada, and via the Zoom application. Following the Pledge of Allegiance to the flag of our Country, County Clerk Jan Galassini called roll, and the Board conducted the following business:

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26-013D **AGENDA ITEM 3** Public Comment.

There was no response to the call for public comment.

26-014D **AGENDA ITEM 4** Approval of the minutes for the DMC meeting of February 6, 2026.

There was no response to the call for public comment.

On motion by Member Severt, seconded by Member Erbis, which motion duly carried on a 4-0 vote with Vice Chair Bonnenfant, Member Herman, and Member Rodriguez absent, it was ordered that Agenda Item 4 be approved.

26-015D **AGENDA ITEM 5** Presentation by Ryan Henry from Taft Law regarding the Debt Management Commission's roles and responsibilities.

Finance Attorney Ryan Henry pointed out that Taft Law was formerly known as Sherman & Howard LLC following a merger in January 2025. He informed that he was a bond lawyer based in Reno and that 100 percent of his practice involved public finance. He said that his firm worked with various entities in the County when bonds were issued. He noted some might recognize him from previous appearances before the Debt Management Commission (DMC) for various bond items or from public meetings involving bonds. He explained that his focus for the meeting was to review the DMC's roles and responsibilities since some of the DMC members were new. He felt it was important to discuss the scope of the DMC, the oversight role, the types of obligations, and the criteria for approving or denying certain obligations.

Chair Duerr asked County Clerk Jan Galassini to send the meeting video to the absent members and encourage them to watch it prior to the next meeting.

Mr. Henry stated that, in his presentations, it was easy to get off track and discuss Nevada Revised Statutes (NRS) that were not applicable to specific counties that were at their statutory property tax (p-tax) cap of $3.64. He remarked he would focus on the statutes that applied to the proposals that would come before the DMC, while also addressing certain inapplicable provisions due to the overlapping statutory cap. He mentioned that there could be confusion because many DMC statutes did not apply when the overlapping p-tax rate reached the statutory cap of $3.64, thereby reducing the criteria the DMC must consider when reviewing proposals. He clarified that whether an obligation must be presented to the DMC would depend on the type of obligation being issued, rather than the issuing entity. He stated that some entities could issue bonds that were not required to be presented to the DMC. He noted that the Truckee Meadows Water Authority (TMWA) issued only revenue bonds, which were not required to be presented to the DMC.

Mr. Henry explained that when proposals required a two-thirds majority for approval, it meant two-thirds of the entire DMC, or at least five votes. He noted that a change to the Open Meeting Law (OML) allowed the quorum to be adjusted to account for vacancies. He added that, whenever a proposal required a two-thirds vote, the Clerk's Office ensured that at least five affirmative votes were necessary for approval. He stated that when the law required DMC approval, no further formal action could be taken until such approval was granted. He pointed out that obligations required to be heard by the DMC included general obligations (GO), including revenue-backed GOs. He explained that a revenue-backed GO could include a GO secured by an additional pledge of specific revenues, such as water or sewer revenues, consolidated tax (c-tax), sales tax, and room tax. He noted that, depending on the type of bond, certain obligations must be presented to the DMC even when supported by a revenue pledge.

Mr. Henry noted that much of what the DMC could expect to see consisted of revenue-backed GOs, because straight GOs required voter approval and were rare. He stated that any proposal to levy a special elective tax must be submitted to the voters and that, before going to the voters, it must be reviewed by the DMC first. He said that any installment purchase agreement with a term exceeding 10 years must also be presented to the DMC.

Mr. Henry commented that, in addition to revenue-backed GOs, the DMC would also review rollover bonds from the Washoe County School District (WCSD). He explained that rollover bonds were GO bonds that the WCSD was authorized to issue, provided they could be repaid within its existing tax rate. He noted that the Legislature had twice extended rollover authority for 10-year terms. He mentioned that for Nevada school districts that approved the measure, the authority to issue such bonds would remain in effect through March 3, 2035. He pointed out that prior to issuance, the applicable school district must present the bonds to the DMC for approval to ensure they could meet the required criteria. He recalled recently meeting with the DMC regarding a WCSD proposal.

Mr. Henry remarked that proposals from General Improvement Districts (GIDs) with populations of fewer than 5,000 must go before the DMC, which included all GIDs in the County except Incline Village and Sun Valley. He informed that only smaller GIDs were required to present revenue bond proposals to the DMC. He explained that the statutory language could be confusing and clarified that special obligations referred to revenue bonds.

Mr. Henry stated that the Reno-Tahoe Airport Authority (RTAA) was specifically excluded from the DMC statute and therefore did not need to appear before the DMC. He explained that TMWA issued only revenue bonds payable from the net revenues of its water system and that, while it submitted an annual report to the DMC, it was not required to seek DMC approval for its revenue bonds. He shared that the Regional Transportation Commission (RTC) issued revenue bonds secured by fuel taxes and, under the law, was authorized to issue only revenue bonds. He mentioned that, similar to TMWA, the RTC submitted an annual report to the DMC in August but was not required to appear before the DMC for approval of revenue bonds payable from fuel tax revenues.

Mr. Henry said that refunding bonds did not require approval from the DMC. He compared refunding revenue bonds to refinancing a home, noting that refunding bonds were issued to replace existing bonds, typically to achieve debt service savings. He pointed out that when a new money issuance came before the DMC and was then refinanced, it would not need to return to the DMC because the DMC had already approved the initial new money. He shared that medium-term bonds did not need to go before the DMC unless it was for a smaller GID. He explained that medium-term bonds were repaid from legally available revenues and required approval from the Nevada Department of Taxation (NDT) rather than the DMC. He added that because medium-term bonds were repaid from legally available revenues, they were not expected to impact the overlapping tax rate. He believed a general principle was that proposals went before the DMC for approval when they would increase the tax rate or otherwise affect it. He said that DMC statutes required annual reporting from all entities with GO debt, special obligation debt, levied taxes, proposed tax levies, or any special elective taxes. He shared that those reports must be submitted to the DMC by early August of each year. He indicated that documents submitted to the DMC included statements of current and contemplated debt, retirement schedules, a debt management policy, a five-year Capital Improvement Plan (CIP), and contact information for the Chief Financial Officer (CFO). He commented that it had become standard practice for entities to present their financial position and anticipated debt. He explained that, while this reflected strong cooperation and communication among entities, the sharing of financial information was generally voluntary and not legally required. He stated that in Washoe County, coordination included working with the Clerk's Office to ensure proposals were presented to the DMC in a timely manner for consideration. He added that some entities, such as those submitting annual reports under NRS, provided presentations and reporting, but when issuing certain bonds, such as TMWA revenue bonds, the DMC did not have oversight over those issuances.

Mr. Henry explained that TMWA's bonds were secured by water fees and revenue, not p-tax, and clarified that for revenue bonds, there was no recourse beyond the revenues. He stated that TMWA would need to increase its water rates and could not levy p-tax. He mentioned that the DMC would have oversight over anything that could affect the overlapping tax rate, but would not have jurisdiction over operating rates. He said that while most entities could increase operating rates by up to 6 percent annually, the WCSD's operating rate was set by NRS at $0.75. He indicated that the DMC typically reviewed proposals involving overlapping tax rates or special elected taxes, including ballot measures. He pointed out that certain provisions of NRS were not fully applicable, as most of Washoe County was already at the $3.64 statutory cap that was established when counties were subject to that limitation. He commented that the remaining tax revenues required discussion among the overlapping entities. He noted that the percentage determination preceding the public need analysis had been reviewed and typically established in August. He indicated that the percentage had been set at 90 percent of $3.64. He shared that a public need analysis was not required because Washoe County was already at the statutory tax cap and was above the 90 percent threshold. He said that most proposals the DMC would review were either funded through the existing debt service rate, such as those involving WCSD, or were brought forward by the issuing entity for revenue-backed GOs. He explained that, in those cases, pledged revenues were sufficient to repay the bonds, and there would be no impact on the overlapping tax rate. He stated that the most recent example of revenue-backed GO bonds was the WCSD Washoe County Question 1 (WC-1) bonds, which were expected to be repaid through sales tax revenues. He noted that, in those cases, the DMC's review focused solely on whether the pledged sales tax revenues were sufficient to support repayment of the bonds, rather than whether there was capacity to levy p-tax to repay them. He stated that when the DMC reviewed proposed pledged revenues, it could also review the assumptions underlying the revenue source that would repay the bonds. He said that if the assumptions appeared unreasonable, the DMC could evaluate whether the projected revenue source was sufficient to repay the bonds for a revenue-backed GO, and the DMC could ensure that the assumption rates were reasonable. He mentioned that when a bond was repaid through c-tax, the DMC could consider the assumptions used in the c-tax projections. He noted that the DMC would continue to see conservative projections from financial advisors regarding the revenues that would repay various bonds. He explained that, provided all criteria were met, the proposal could be approved regardless of whether it was at the $3.64 cap. He pointed out that for revenue-backed GO, the expectation was that the entity would never have to use p-tax to repay the bonds and would use the specific source for the duration of the bonds.

Mr. Henry said that Page 3, Section 6 of his presentation, summarized the notice and procedure for notifying the DMC to obtain a proposal. He mentioned that the NRS established timeframes to prevent situations in which an entity wanted to issue bonds and needed to present to the DMC, only for the DMC to refuse to set a meeting to consider the proposal, which he did not believe had ever been an issue in Washoe County. He shared that the Clerk's Office had been efficient in scheduling timely meetings, and added that there were timeframes for the number of days and the timing of meetings. He suggested that traditionally, entities tried to schedule their requests around the DMC meeting held in February. He commented that special meetings could be held, if needed, to consider a proposal, and that five members were needed to ensure a two-thirds majority. He said that many counties in Nevada were similar to Washoe County, and many of the NRS were inapplicable because they were already at the cap. He explained that the NRS applied if the counties were not at the cap or if there were proposals to increase p-tax. He indicated that most of the proposals did not increase p-tax and, therefore, some of the NRS did not apply.

Chair Duerr asked about tax cap overrides and whether they required approval. Mr. Henry replied that tax cap overrides would need voter approval. Chair Duerr questioned whether the DMC would need to review the override before it could be placed on the ballot. Mr. Henry confirmed that the DMC's review would be required. He explained that, because Washoe County was already at the tax cap, the overlapping taxing entities would first need to agree to lower their tax rates before the measure could be placed on the ballot. He noted that the agreement would ensure that, if voters approved the override, the combined tax rate would not exceed the $3.64 cap. He mentioned that a tax override would constitute a tax increase, and proposals that increased taxes were required to undergo a complex entity analysis. He shared that the analysis considered the combined overlapping tax rate, the proposed tax increase, and the entity's unlevied maximum operating rate. He said that many entities had a maximum allowable operating rate that would be levied if there were no cap, and the entities accumulated an unlevied maximum operating rate. He noted that in some situations, a tax override would increase p-tax and therefore would require an analysis. He added that the affected entities would need to be notified of the proposal, and, by resolution, could either approve or deny it, and it would need to return to the DMC. He said that if the overlapping entities could not reach an agreement to lower rates to make sufficient room, if the question were passed, the DMC could act as a mediator and veto, as voters should not approve a question that would interfere with the $3.64 p-tax cap.

Chair Duerr said that while she appreciated the explanation, she was unclear about what could exceed the $3.64 cap. She mentioned that while working for the State, she had issued bonds for small water systems and was allowed to exceed the State cap. Mr. Henry explained that p-tax bills sometimes reflected a rate of $3.66 rather than $3.64 because the Legislature had exempted an additional $0.02 from the statutory cap for natural resource projects. He pointed out the Legislature had the authority to exempt certain amounts from the cap through legislation. Chair Duerr said that the bonds she had managed grew from $25 million to $125 million to fund water systems, and that each increase required legislative approval and authorization for additional bonding. Mr. Henry stated that the Legislature had increased certain amounts, similar to the rollover extension for school districts. He clarified that the Legislature could, in theory, exempt additional amounts for specific purposes, but the statutory cap remained $3.64 while the constitutional cap was $5.00. He added that when a p-tax increase was proposed, whether through a tax override or an anticipated increase to repay GO debt, it had to be reviewed by the DMC before being submitted to the voters.

Mr. Henry said that Page 5 of his presentation explained which proposals would not affect the tax rate, and the best example was revenue-backed GOs. Hypothetically, he mentioned that if the City of Reno's GOs were additionally secured by sewer revenues, it would need to be presented to the DMC. He added that under NRS 350.020(3), the City of Reno would have to make a finding that the sewer revenue would be able to repay the bonds and that it would not expect to use p-tax to repay them. He remarked that when that type of proposal was presented to the DMC, the evaluation criteria were more limited than for proposals seeking to increase p-tax. He stated that the DMC reviewed only a limited set of criteria, which did not include public need or the project itself. He noted that the criteria included the City of Reno's outstanding debt and that each entity had its own statutory debt limit. He explained that the City of Reno's debt limit was specified in its charter and was often expressed as a percentage of assessed value (AV). He mentioned that, with increased AV, the amount of debt the City of Reno could issue up to its statutory debt limit was considerably higher than what it could realistically repay. He said that special obligations or revenue bonds did not count against an entity's debt limit, but GOs would. He indicated that when existing and proposed bonds were evaluated against the statutory debt limit, the DMC must ensure that the limit was not exceeded. He added that additional criteria included the impact on the overlapping debt rate. He pointed out that for revenue-backed GOs, if the DMC found the assumptions used to estimate revenues reasonable, there would be no expected impact on the tax rate. He stated that while projects were discussed at DMC meetings, the project details did not need to be considered unless the proposal increased p-tax.

Mr. Henry said the DMC was comprised of representatives from overlapping entities and two at-large public members. He stated that if a City of Reno proposal came before the DMC, the city's representative on the DMC would not need to abstain from voting. He clarified that person served in a separate capacity on the DMC than on the city council, and therefore, voting on a bond proposal would not create a conflict of interest. He thought it was important to have representatives from the entities because, often, they could help explain the repayment source and project details. He mentioned that a DMC member would not need to recuse themselves unless there was a conflict of interest or a financial gain, which he considered to be rare. He shared that when a proposal increased p-tax, there would be different criteria for the DMC, including the percentage and public need thresholds, because the DMC had been given the authority to help arbitrate the remaining p-tax below the cap and to set certain priorities. He stated that, in the event of an increase in p-tax, the project would fall within the scope of the DMC. He informed that the statutes identified public safety, health, and education as essential priorities, and that everything else was considered non-essential. He added that when there was remaining capacity under the cap and a proposal to increase p-tax, the NRS became more directly applicable in guiding the review process. He mentioned that, in addition to considering the project, the DMC would also need to consider the impact on overlapping entities to ensure those entities could also do their projects. He stated that, since the Cities of Reno and Sparks were at the cap, much of the information he was discussing was not applicable, but it was still important to discuss and set the percentage each year, if the proposal increased p-tax.

Chair Duerr said she discovered that there were General and Debt Funds associated with Redevelopment Districts. She stated that the City of Reno had issued debt within the Redevelopment District and anticipated paying that debt off in 2026.

Mr. Henry said that under NRS Chapter 279, Redevelopment Agencies' bonds did not require DMC approval and were payable solely from tax increment financing (TIF) revenues. He added that those bonds would not affect the overlapping tax rate because they could not increase the p-tax rate to repay the bonds. Chair Duerr said she had served on the Reno City Council for 12 years and had never issued debt, as all debt had been issued before her tenure. She shared that the City of Reno had reallocated revenue from the Reno Redevelopment Agency (RDA), something that she described as challenging. She noted that three council members opposed allocating funds to the Lear Theatre, while three others strongly supported the project. She stated that the council ultimately allocated $2 million to the Lear Theatre and to projects the Redevelopment Advisory

Board had not recommended, while denying funding for some smaller projects. She acknowledged that the Cities did not have much funding but stated that the Redevelopment Agencies had separate revenue streams that could be used only for redevelopment. Mr. Henry responded that statutes provided flexibility in how redevelopment funds could be spent, including on projects that might be considered less traditional public improvements. Chair Duerr said that the City of Reno had incurred debt from the baseball stadium that exceeded its ability to repay, and that GO funds were being used as a safeguard to cover the debt.

Mr. Henry mentioned that each time a proposal was received, various consultants would appear before the DMC, typically including the CFO of the entity involved, he or his partner, Kendra Follett, serving as bond counsel, and the municipal advisor. He noted that the municipal advisor played a key role by explaining the revenue projections and discussing the applicable criteria. He added that, although the governing statutes were complex for the DMC, many of their provisions were not applicable because Washoe County was already at the cap. He noted that when proposals were received that did not impact the tax rate, the criteria were limited but were still important. He said the DMC played a critical oversight role in ensuring that entities borrowed only what they could afford to repay and complied with statutory requirements. Chair Duerr stated that she had recently learned, during a budget hearing, that the City of Reno had limits on its bonding authority and was required to maintain reserve accounts. She indicated that the City of Reno's CFO explained that the city's bonding authority exceeded what it would ever need. Mr. Henry mentioned that municipal advisors might recommend stronger debt service coverage and a reserve fund to successfully market the bonds. He pointed out that the threshold for obtaining DMC approval was relatively minimal, while the requirements for marketing the bonds or achieving the desired credit rating were much more stringent. He stated that there were minimum requirements that had to be met, depending on the entity, the type of bond, and the level of security required by investors. He commented that the market could impose much stricter requirements to ensure that the bonds could be successfully sold. Chair Duerr revealed that, as a member of the Reno City Council, she had heard concerns that the city was spending too freely and carrying too much debt. She clarified that the city's CFO had broken down the city's debt, which showed that the GO debt was extremely small. She said that some of the debt was supported by dedicated revenue sources and had nothing to do with the rest of the city's finances. Mr. Henry said it was important to keep in mind that constituents attending public meetings could be critical of revenue-backed GO debt. He mentioned that there was likely a specific revenue source designated to repay that debt and that it would not be repaid with p-tax revenues. He explained that, for GO debt versus statutory debt limits, WCSD was 15 percent, the City of Sparks was 20 percent pursuant to its charter, the City of Reno was 15 percent pursuant to its charter, Washoe County was 10 percent of AV, and GIDs were 50 percent of AV. Chair Duerr asked whether the percentages applied to each entity's total AV. Mr. Henry confirmed that no entities were close to their debt limit.

Mr. Henry said he appreciated everyone's time and thought it was nice to appear before the DMC apart from discussing a bond item.

Deputy District Attorney (DDA) Trenton Ross stated that Member Hull, who was attending via Zoom, needed to leave the meeting. Chair Duerr noted that Member Hull would continue her attendance via Zoom. She stated that on other boards, when a quorum was lost, the meeting would end.

DDA Trenton Ross said there were no remaining action items, so he was comfortable continuing the meeting. He pointed out that if there were action items, the meeting would need to adjourn.

Member Severt suggested that community members often questioned why the Sun Valley GID (SVGID) funds could not be spent on whatever was needed. She clarified that the SVGID required funds to be used only for their intended purposes, explaining that water funds must be spent on water-related expenses and sewer funds on sewer-related expenses. She speculated that those comments occurred each year during the budget approval process.

Mr. Henry mentioned that State statutes defined the purposes for which various types of obligation funding could be used. He said there was a statute prohibiting an entity from borrowing for more than one year to fund operations and explained that bonds must be used for capital needs. He noted that he had seen situations across the State in which members of the public wanted an entity to issue bonds to increase salaries or hire additional staff, but long-term borrowing for operational expenses was prohibited by State law. He added that State law required bond proceeds to be used for capital projects and that overlapping federal tax laws also governed their use. He stated that there were defined requirements and limitations on how borrowed funds could be spent and reiterated that long-term borrowing for operations was prohibited, except for obligations of less than one year. He explained that the type of obligation determined whether the DMC should be involved. He noted that even after a bond was paid off, restrictions remained on how the related revenue could be spent, giving the example that water bond revenues could not be used to pay for streets.

Member Severt commented that recreation funds needed to be spent on recreation. Mr. Henry acknowledged that entities typically had significant capital needs and lacked funding. He assumed that there would be constituent requests, but clarified that project limitations could limit how funds were spent.

Chair Duerr expressed appreciation for Mr. Henry's presentation.

26-016D **AGENDA ITEM 6** Board Member Comments.

Chair Duerr asked whether any members wanted to add anything to a future agenda.

Member Severt stated that the Sun Valley General Improvement District (SVGID) would pay off its final bond in 2027. She shared that the SVGID previously issued a large bond to build water tanks and had increased payments to pay off the debt early. She shared that as of December 2027, the SVGID would have no remaining bonds. She mentioned that the SVGID owed funds to the State, which were being repaid through current development. She revealed that the SVGID was building a $7 million pump station and advised that the community's share would be less than $1 million, with the remainder paid by the developer. She noted that the original pump station was 100 years old and that its replacement would be a significant benefit to the community with an expected lifespan of another 100 years. She said the SVGID and other boards had chosen to use development fees to reduce debt, so that the SVGID could operate within its means. She stated that it was not easy to inform staff that only small raises would be possible.

Chair Duerr said the City of Reno had frozen 30 positions and that several staff members had been laid off. She noted that this was the first budget in which the city had been able to add much of anything. She said the city worked on the Moana Pool and the Public Safety Center projects while maintaining a very low level of debt. She stated that she and Reno Mayor Hillary Schieve were the longest-serving members of the Reno City Council and had focused on paying down debt, reducing it by $200 million. She opined that while the council wanted to pursue projects that benefited the community and addressed community needs, fiscal responsibility remained a priority. She remarked that other council members had complimented her and Mayor Schieve on their stewardship of city funds. She surmised the newer council members would have more financial flexibility for the redevelopment projects needed than she had experienced during her tenure. She pointed out that work along the Truckee River, including flood control projects, was extremely expensive.

Ms. Galassini said the August 14 meeting would be very busy, so everyone needed to attend. She shared that the Clerk's Office would contact the members to ensure a quorum.

Chair Duerr said that if there were no quorum, the meeting would need to be rescheduled because several bond issues would require a vote.

County Clerk Jan Galassini said there would be a discussion to set the thresholds, review and accept the submitted financial statements, and discuss the status of any bond issuances. She noted that the Commission would set the dates and times for the 2027 meetings. She asked whether the Commission would like to have a presentation added to the next meeting agenda. Chair Duerr replied that a presentation was not needed, as there would be enough to discuss. She asked what time the next meeting was scheduled for.

Ms. Galassini said the 2026 meetings were all scheduled for 1:00 p.m.

26-017D **AGENDA ITEM 7** Public Comment.

There was no response to the call for public comment.

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1:54 p.m. There being no further business to discuss, the meeting was adjourned without objection.

NAOMI DUERR, Chair
Debt Management Commission

ATTEST:

JANIS GALASSINI, County Clerk
and Ex Officio Secretary,
Debt Management Commission

Minutes Prepared by
Jessica Melka, Deputy County Clerk