The Debt Management Commission met in a special session on March 26, 2013, at 10:00 a.m., in Suite 102 of the Nannini Building, at 540 Court Street, Elko, Nevada.

There were present: Debt Management Member Cliff Eklund
Debt Management Member Jon Karr
Debt Management Member Charlie Myers
Debt Management Member Charlie Myers, Jr.
Debt Management Member Robert Schmidtlein
Debt Management Member Paul Stevens
Debt Management Member Lynne Volpi

Others Present: Deputy County Clerk Marilyn Tipton
Elko County School District Jeff Zander
W. Wendover Recreation Jamey Richardson
District Director Michelle Giovo
City of W Wendover CFO

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CALL TO ORDER:
Chairman Stevens called the meeting to order at 10:00 a.m.

Commissioner Charlie Myers, Sr., was absent at this time.

10:01:15 AM

I. COMMENTS BY THE GENERAL PUBLIC:
No comments were submitted by the public.

10:01:23 AM
II. WEST WENDOVER RECREATION DISTRICT DEBT MANAGEMENT POLICY/INDEBTEDNESS REPORT:

Consideration of approval of the Amended Debt Management Policy and Indebtedness Report for the West Wendover Recreation District, and other related matters.

Chairman Stevens inquired about the general obligation bonds of 1996 and 1999 with an outstanding balance of $6,970,000 but they were only attempting to refund $4,995,000.

Jamey Richardson explained that $6.9 million dollars was as of June 30, 2012. She noted their debt was down to $6.4 million dollars. She stated the current bonds have a reserve fund that would be paid against that debt. She commented they have money placed in a trust account in the amount of $296,000 which would also be applied towards that debt. Jamey Richardson stated by taking their interest rate down to 2.75% from 5% to 6% because the two had different rates. She commented their savings on that rate would be $874,000.

MOTION: Commissioner Eklund moved to approve the Amended Debt Management Policy and Indebtedness Report for the West Wendover Recreation District. Commissioner Volpi seconded the motion. The motion passed unanimously.

10:03:09 AM:

III. WEST WENDOVER RECREATION DISTRICT GENERAL OBLIGATION BOND RESOLUTION:

Discussion and consideration of approval of: RESOLUTION No. DMC 13-01 approving the issuance by the West Wendover Recreation District of its (a) $4,995,000 of general obligation (limited tax) refunding bonds (additionally secured by pledged revenues), series 2013A for the purposes of refunding certain outstanding bonds of the district and (b) up to $5.5 million of general obligations (limited tax) bonds (additionally secured by pledged revenues), series 2013B for the purpose of financing the acquisition and construction of a recreation center and related facilities, and all matters related thereto.

Chairman Stevens inquired if the 1996 and 1999 general obligations bonds were for the golf course.

Jamey Richardson replied for the golf course, the soccer fields and the swimming pool.

Chairman Stevens said on page 14 of the bond resolution under Section 206, Subsection (a), it stated the series 2013A bonds were not subject to redemption prior to maturing. He noted they would not be able to refund them again and they would have to pay them off.

Jamey Richardson stated that was upon the $4,995,000 bond because they had been refunded to their limit at this time. She explained those were the bonds.
they were buying down from the $6.4 million dollars to the $4,995,000. She stated those bonds would be retired in 2022. She reviewed the Historical and Projected Debt Service Coverage Chart displaying the 2013 A bond series and the 2013 B series (new bonds). Jamey Richardson commented the current debt service amount would not increase because of the savings on the interest rate. She stated they would pay interest only on the first new money and when they have paid the 2013 A series off then they would pay to the principal and interest to the 2013 B series bonds. She commented the debt service would drop when the 2013 A series was paid off.

Cliff Eklund stated in going over the report it stated the service on this debt would be paid specifically from room tax. He stated this commission had to review this debt issue as to whether it would impact the tax cap should default occur. Commissioner Eklund commented they were aware that the tourism industry was fickle and inquired if they had a contingency plan in case there was a dramatic downturn in revenues from tourism so as not to impact the $3.64 tax cap.

Jamey Richardson stated within the history of the district over 27 years they have never imposed a general obligation tax. She commented they have always operated upon their room tax revenues. Jamey Richardson noted Wendover draws most of their tourism from Utah and Utah was not legalizing gambling. She stated they have a restricted reserve fund created that would come with the new money and would be taken from the bond proceeds to be held in lieu of making payments or a year’s worth of debt. Jamey Richardson stated they had approximately $1.3 million dollars in the last reserve fund. She commented they also have $1.6 million dollars in an unrestricted reserve fund in an investment account as backup for shortfalls in operation or debt service.

Chairman Stevens commented they have a backup plan listed on page 40 of the bond resolution of initiating a general tax on property whether real or personal.

Jamey Richardson stated that was as a last resort. She commented the general improvement district could levy a standby service charge to pay for operational shortfalls based upon the residents of West Wendover who were benefactors of the facility/programs. Jamey Richardson stated they currently receive a special assessment which was imposed by the general improvement district under NRS. She commented they have never impacted the tax cap or the schools.

Commissioner Karr commented the Recreation District had not coordinated upon this project with the County School District. He believed there may have been an opportunity to build a larger building and felt there may be redundant building within the communities if they did not work with the School District.

Jamey Richardson stated at this time they ran some of their programs utilizing the School District’s gym and that was the driving force to build the new facility. She commented their Parks and Recreation Director had participated in conversations with the School District upon the new facility proposed for the elementary school.
Jamey Richardson stated this Recreation Center had been on the agenda since 2008 and the School District at the local level was aware of those discussions.

Commissioner Eklund commented the School District had not consulted with the City of Carlin when they were planning new facilities. He was glad to hear the School District was encouraging more coordination.

Jamey Richardson stated the City of West Wendover and the Recreation District welcomed the School District’s interaction. She noted some of their programs do overlap in their community so they do involve the local School District staff.

Commissioner Karr stated the next School District meeting was to be held in Wendover and invited Jamey Richardson to that meeting to get her input. He stated his goal was to get the School District more involved in conversations with the communities.

Commissioner Stevens inquired where the Recreation District’s new facility would be located.

Jamey Richardson replied just west of the swimming pool and between the swimming pool and library. She stated the skate park would be relocated. She gave an overview of the proposed rooms, courts, and gym within the new facility.

MOTION: Commissioner Eklund moved to adopt RESOLUTION No. DMC 13-01 approving the issuance by the West Wendover Recreation District of its (a) $4,995,000 of general obligation (limited tax) refunding bonds (additionally secured by pledged revenues), series 2013A for the purposes of refunding certain outstanding bonds of the district and (b) up to $5.5 million of general obligations (limited tax) bonds (additionally secured by pledged revenues), series 2013B for the purpose of financing the acquisition and construction of a recreation center and related facilities. Commissioner Karr seconded the motion. The motion was passed unanimously.

10:22:01 AM:

IV. APPROVAL OF MINUTES:

Approval of preceding minutes dated February 12, 2012.

Chairman Stevens inquired if they had received a final accounting from the Carlin Television District, Heather Trujillo.

Commissioner Eklund had spoken to Heather Trujillo and the Tax Commission had advised her to wait until everything was closed out before submitting that report.

MOTION: Commissioner Volpi moved to approve the meeting minutes for February 12, 2012. Commissioner Eklund seconded the motion. The motion passed unanimously.

10:23:24 AM:
V. COMMISSIONER AND STAFF COMMENTS:
No comments were submitted.

10:23:44 AM:

VI. COMMENTS BY THE GENERAL PUBLIC:
No public comments were submitted.

10:24 AM:

VII. ADJOURNMENT:

MOTION: Commissioner Eklund moved to adjourn the meeting. Commissioner Volpi seconded the motion. The motion passed unanimously.

There being no other business to come before the Board, the meeting was adjourned at 10:24 a.m.

APPROVED

PAUL STEVENS, Chair

ATTEST:

MARILYN TIPTON, Deputy Clerk