

**Washoe County School District
Oversight Panel for School Facilities
June 2, 2022 - 4:00 p.m.**



**Draft
Minutes**

1. Opening Items

1.01. Call to Order

The meeting of the Oversight Panel for School Facilities of the Board of Trustees was called to order at 4:00 p.m. by Chair Dave Solaro at the Washoe County School District's Board Room.

1.02. Roll Call

Chair Dave Solaro and Committee Members, Oscar Delgado, Charlene Bybee, Paul Anderson, Jeanne Herman, Vice-Chair Justin Ivory, and Sophia Cardinal were present. Committee Members Devon Reese, Bob Lucey, Andrew Diss, and Elise Bunkowski were absent. Also present is the Washoe County School District's Chief General Counsel, Neil Rombardo.

2. Discussion, Presentation, and Action Items

2.01 Approval of the minutes of the June 4, 2020, meeting of the Oversight Panel for School Facilities (For POSSIBLE ACTION)

On a motion by Paul Anderson and seconded by Jeanne Herman, **the Oversight Panel for School Facilities approved the minutes of the June 4, 2020, meeting as presented** (Yea: Dave Solaro, Oscar Delgado, Charlene Bybee, Paul Anderson, Jeanne Herman, Justin Ivory, and Sophia Cardinal) Final resolution: Motion carries 7-0

- No Public Comment

2.02 Discussion and Possible Action to approve the draft letter to the Legislative Counsel Bureau, pursuant to Nevada Revised Statute (NRS) 393.097, outlining the Washoe County School District Oversight for School Facilities' recommendations for financing the costs of new construction, design, maintenance, and repair of school facilities (FOR POSSIBLE ACTION)

Pete Etchart, WCSD Chief Operating Officer, indicates that based on state statute, the Oversight Panel for School Facilities must submit their recommendations for financing the costs of new construction, design, maintenance, and repair of school facilities every two years before July 1st of every even year.

Mr. Etchart presented the panel with the WCSD June 2, 2022, draft letter to the State of Nevada Legislative Council outlining the Oversight Panel's recommendations. The draft letter is comprehensive and provides important details/background dating back to 2015.

There were no questions from the panel regarding the June 2, 2022, letter to the Nevada Legislative Council.

- Public Comment

Jeff Church, A WCSD Board of Trustee member, but here as a citizen for public comment. Although Mr. Church understands that the letter is a state requirement, he does not feel that this is the appropriate time to agree to spend millions of dollars; he wants us to stop bonding and building because we will have a new superintendent in the next 30 days and because of rising building costs. Mr. Church references the ASFR audit which he says reveals our schools are at 75% capacity, with some mis-alignment issues, suggesting another reason to stop building.

Chair Solaro returned to the panel and asked if there were any follow up questions, comments, concerns, or motions regarding the letter. There were none.

On a motion by Paul Anderson and seconded by Oscar Delgado the **Oversight Panel moves to approve the June 2, 2022, letter to the Legislative Council.** (Yea: Dave Solaro, Oscar Delgado, Charlene Bybee, Paul Anderson, Jeanne Herman, Justin Ivory, and Sophia Cardinal) Final resolution: Motion carries 7-0

2.03 Presentation, Discussion, and Possible Approval of a Resolution Concerning the Submission to the Washoe County Oversight Panel for School Facilities by Washoe County School District, Nevada, of a Proposal to Issue General Obligations in one series or more, in an Aggregate Principal Amount Not to Exceed \$298,515,000 for the Constructing, Expanding, Improving, and Equipping School Facilities within the District.

Mark Mathers, Washoe County Chief Financial Officer, advises the panel that one of the statutory duties (NRS 393.097 and NRS 350.020) of the Oversight Panel for School Facilities is to approve the issuance of general obligation bonds backed by property taxes (Rollover Bonds). This is a four-step process:

- The Board of Trustees must request that the Oversight Panel and the Debt Management Commission approve the issuance of the bonds
- Obtain Oversight Panel approval
- Obtain Debt Management Commission approval
- Return to the Board of Trustees for a Bond Resolution

Rollover bonds are paid by a portion of the property taxes we all pay on real and personal property. The WCSD debt rate is 38.85 cents per \$100 of assessed valuation. This goes to payment to the debt service on the district's rollover bonds. For FY 23 WCSD is projecting tax revenues of \$76.37 million. These funds are segregated and will never go into the General

Fund. These funds are only used to pay for debt or pay as you go projects funded by these property taxes. Currently the district has \$524 million of outstanding debt and debt service of \$64 million.

The district is proposing \$298.5 million of new rollover bonds over the next three fiscal years to be used for the Capital Renewal Program, Core School Investments, Transportation Site Improvements, and Land Acquisition previously approved by this Oversight Panel in the Fiscal Year 2023-2027 Five-Year Capital Improvement Plan.

Mr. Mathers wants to make clear to the panel that if changes are made to the CIP, or if the Board of Trustees decides not to move forward with any of the projects in the current 5-year CIP plan, the district is not obligated to issue this debt, this is simply authorization to enable the district to issue the debt.

Mr. Mathers brings attention to a document in the panel's packet which shows the comparison of the district's projected revenues to our current outstanding debt service and the additional debt service of these \$298.5 million in new bonds. The district's margin of revenues over our debt service is positive.

Property tax revenues are projected to increase, due to strong growth rate in our county and based on new housing developments in the county. Many of the district's outstanding rollover bonds are maturing and being redeemed over the next ten years, so the district's debt profile is falling, and our total debt is falling, giving the district the capacity to issue many more general obligation rollover bonds in the future. We have very strong coverage. Mr. Mather sees no issue in covering the district's debt service requirements in the current 5-year CIP plan.

There were no follow up questions for Mr. Mathers.

On a motion from Oscar Delgado and seconded by Jeanne Herman the **Oversight Panel for School Facilities** approve the issuance of property tax-pledged general obligation bonds not to exceed \$298,515,000. (Yea: Dave Solaro, Oscar Delgado, Charlene Bybee, Paul Anderson, Jeanne Herman, Justin Ivory, and Sophia Cardinal) Final resolution: Motion carries 7-0

3.01 Public Comment

None

3.02 Next Meeting Announcement

TBD, however, per Mr. Searcy, no longer than two years from today's date.

3.03 Adjourn Meeting

The meeting was adjourned at 4:14 p.m.

Dave Solaro, Chair