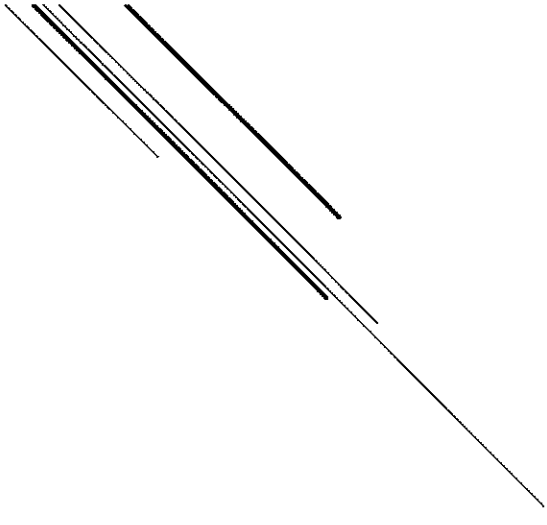


STATUTORY REQUIREMENTS  
AND FUNCTION OF THE  
DOUGLAS COUNTY DEBT  
MANAGEMENT COMMISSION

Zachary J. Wadle,  
Deputy District Attorney  
August 31, 2017

# CREATION OF DEBT MANAGEMENT COMMISSION UNDER NEVADA LAW

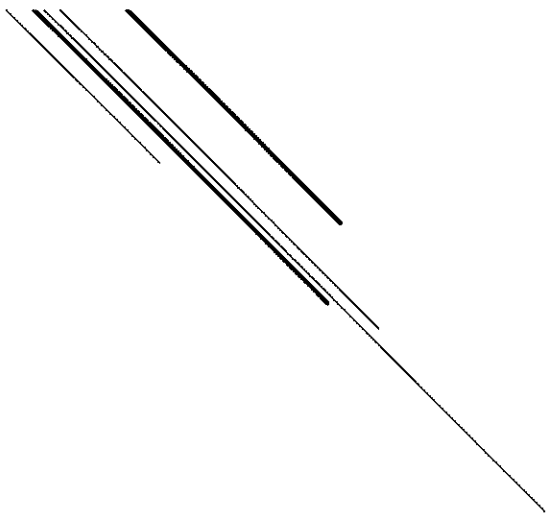
- DMC exists pursuant to NRS 350.0115 et. seq.
- DMC Composition dependent on size and municipal entities within County
- Douglas County DMC comprised of:
  - 1 representative of County Commission
  - 1 representative of School District
  - 1 representative of GID's within Douglas County
  - 2 representatives of the Public at Large
- Each DMC member serves 2 year term beginning January 1<sup>st</sup> of odd numbered years
- No DMC Member can have a substantial financial interest in the ownership or negotiation of securities issued by the State or any political subdivisions within the State.



# STATUTORILY REQUIRED DMC MEETINGS

Minimum 2 meetings required annually:

- February meeting to organize and select a Chairman and Vice-Chairman
- August meeting to: 1) accept indebtedness statements from all government entities within the County; 2) establish maximum percentage of ad valorem tax cap applicable to any debt/tax proposal to trigger public needs analysis by DMC
- Other meetings as necessary called by the Chair

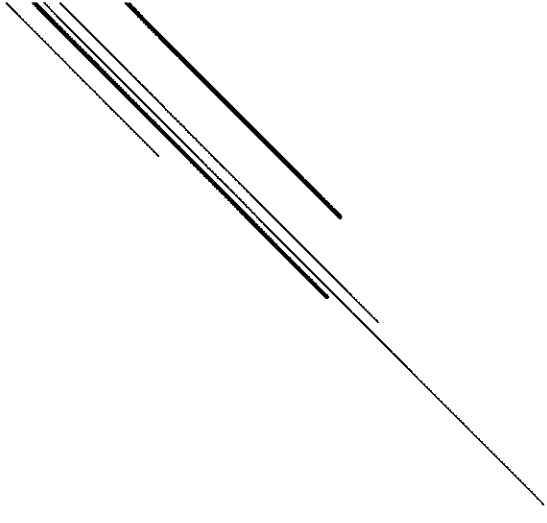


# DEBT/TAX PROPOSALS REQUIRING DMC REVIEW/APPROVAL

1. Any proposal by a municipality within Douglas County to incur general obligation debt (defined by NRS 350.0045), levy a special elective tax (defined by NRS 350.011(2)), or enter into an installment purchase agreement with a term longer than 10 years (defined by NRS 350.0055)
  - Proposal must receive favorable vote of 2/3rds of DMC to go forward
2. Any proposal by a GID with less than 5,000 in population to incur any medium term obligation (10 year term or less)
  - Proposal must receive favorable vote of simple majority of DMC to go forward

# GENERAL CRITERIA FOR DMC REVIEW OF DEBT/TAX PROPOSALS

- If a debt proposal, the amount of outstanding debt of municipality, and tax revenue need to pay debt
- Effect of any tax levy required for debt proposal
- Anticipated needs for future debt issuance
- If proposal would result in tax that exceeds DMC specified percentage of the maximum allowable ad valorem rate, a balancing of public needs of the municipality



**Debt Management**

**AGENDA ACTION SHEET**

**Title:** For Possible Action. Discussion and possible action to accept annual indebtedness statements submitted by municipalities in Douglas County per Nevada Revised Statute (NRS) 350.013. (Kathy Lewis)

**Recommended Motion:** Accept annual indebtedness statements submitted by municipalities in Douglas County per NRS 350.013.

**Financial Impact:** None.

**Prepared by:** Kathy Lewis, Clerk/Treasurer

**Meeting Date:** August 31, 2017      **Time Required:**

**Agenda:**

**Background Information:** Per NRS 350.013, on or before August 1<sup>st</sup> of each year all municipalities shall submit to the Douglas County Debt Management Committee an annual statement of current and contemplated general obligation debt and special elective taxes, statement of debt management policy, plan for capital improvement or alternative statement, and certain information regarding the chief financial officer. Please see attached statements submitted by municipalities in Douglas County.

**Agenda Item # 2**

**Debt Management**

**AGENDA ACTION SHEET**

**Title:** For Possible Action. Discussion and possible action to: 1) specify the percentage of maximum allowable total ad valorem tax levy applicable to any debt issuance or tax levy proposal to trigger analysis under Nevada Revised Statutes (NRS) 350.015(1)(d); and 2) establish priorities among essential and nonessential facilities and services for purposes of NRS 350.015(1)(d). (Zach Wadle)

**Recommended Motion:** 1) Establish 90% as the maximum allowable total ad valorem tax levy percentage applicable to any debt issuance or tax levy proposal to trigger analysis under NRS 350.015(1)(d); and 2) establish that facilities related to public safety, education and health are considered essential facilities and services, and all other facilities and services are considered nonessential.

**Financial Impact:** None.

**Prepared by:** Kathy Lewis, Clerk/Treasurer

**Meeting Date:** August 31, 2017      **Time Required:**

**Agenda:**

**Background Information:** At the annual Debt Management Committee meeting in August, NRS 350.0155 requires the Debt Management Committee to: 1) Specify a percentage, which must not be less than 75 percent, of the maximum allowable total ad valorem tax levy applicable to any debt issuance proposal to trigger analysis under NRS 350.015(1)(d); and 2) Establish priorities among essential and nonessential facilities and services for the purposes of NRS 350.015(1)(d). NRS 350.0155 mandates that “facilities and services relating to public safety, education and health must be considered essential facilities and services, and all other facilities and services must be considered nonessential facilities and services.

The total ad valorem tax levy for all public purposes is generally capped at \$3.66 on each \$100 of assessed valuation. If a debt or tax levy proposal were to come before the Committee that would result in a combined property tax rate in any of the overlapping entities within Douglas County that exceeds the maximum percentage established by the Commission, the Committee would then be required to consider the public need to be served by the proposal in accordance with the priorities established by the Commission among essential and non-essential services, and other public needs within Douglas County. Historically, the Debt Management Commission has set the maximum