

**Minutes of the SB411 Committee Meeting  
on February 17, 2016 at the  
Douglas County School District Office, Minden, Nevada**

**Call to Order and Opening Items:**

The meeting was called to order at 5:30 p.m. by Dave Brady, Committee Chairman, and roll call was taken. Committee members present were as follows: Dave Brady representing Carson Valley Chamber of Commerce, AJ Frels representing Carson Valley Visitors Authority, Mandee Kuskie representing Carson Valley Middle School PTO (*arrived ~5:45 p.m.*), Brad Spires representing Nevada Association of Realtors, Piper Brown representing Retail Association of Nevada, Steve Thaler representing Douglas County Commissioners, Valerie Melendez (*non-voting / non-Douglas County resident*) representing Northern Nevada Development Authority (*arrived ~5:45 p.m.*), Blayne Osborne representing Assemblyman Jim Wheeler and Senator James Settelmeyer, Brian Rippet representing Douglas County Professional Educators Association (DCPEA), Louie Trio representing Douglas County School Bus Drivers AFL/CIO, and Teri White, DCSD Superintendent, Holly Luna, DCSD CFO, and Marty Johnson, JNA Consulting, were also present along with several members of the public.

Dave Brady requested adoption of the agenda with a modification to revise nomenclature of projects to be replaced with repairs which was motioned by Steve Thaler and seconded by AJ Frels and was unanimously approved 8/0.

There was no Public Comment.

Minutes of the January 13, 2016 meeting were reviewed. Blayne Osborne requested that the minutes reflect the “e” at the end of Osborne. Dave Brady requested a revision to reflect that he represents Carson Valley Chamber of Commerce rather than Douglas Chamber of Commerce. Brian Rippet motioned to approve the minutes with the proposed revisions. The motion was seconded by Blayne Osborne, and passed with an 8/0.

Dave Brady requested that Holly Luna, DCSD CFO, review the summary of the revised unfunded repairs. She explained that the Committee had narrowed the scope of unfunded projects presented at the last meeting to solely reflect Tier I Health & Safety and Replacement of Critical Needs items. She did note that certain items not requested for inclusion by the Committee had been added by as Tier II construction requirements – specifically repeaters (new code requirement), ADA compliance, and hazardous materials requirement (e.g. lead paint and asbestos). Price estimates were provided in a low/high format totaling \$7,730,000 to \$12,295,000. Committee discussion confirmed that the list of repairs were appropriate. Ms. Luna reminded the Committee and the public that all of the previous documentation and prior meetings were on the district’s website for review.

Dave Brady requested that Marty Johnson with JNA Consulting provide the Committee with an overview of the various taxing options and rates that were available under the SB411 legislation. Mr. Johnson provided a property tax overview which included overlapping property tax rates in Douglas County, 15 years of assessed valuation, and limitations on property tax revenues. He

also provided sample tax bills that showed net taxes and the differential between a newer home and one built 60 years prior reflecting the impact of depreciation on net revenues.

He reviewed each of the following from the perspective of historical trend lines showing volatility along with potential required coverage for bonding: Sales Tax, Real Property Transfer Tax, Room Tax, Governmental Services Tax, and Property Tax. Mr. Johnson also examined capital funding factors before evaluating various funding scenarios. He provided pay-as-you-go or with bond proceeds as well as combined examples using the low and high cost estimates provided by Holly Luna for the repairs list. In each scenario, Marty Johnson reflected the estimated tax for each tax rate to generate the required revenue which would allow lower rates if any combination was used. Mr. Johnson also provided overlapping tax comparisons of the other 16 Nevadan counties along with the other school districts capital funding, sales tax and room tax comparisons.

Discussion amongst the Committee members ensued about which tax rates were better options for the purposes of this task, and asked clarifying questions of Mr. Johnson. Chairman Brady indicated that it would likely be in the best interests of the Committee to establish criteria such as stability, equitability and coverage requirements to help guide the decision of which tax rate or rates and the appropriate terms. Mrs. White asked if it would be appropriate to determine whether or not the Committee would recommend taking forward a ballot question prior to determining tax rate(s) and terms. Mr. Brady agreed, and indicated that his perception was not that the Committee was supporting taxes, but rather allowing Douglas voters to have the decision. He also relayed that his interest was one of liability stemming from the fact that the Committee had noted repairs predicated on health and safety issues as well as replacement of critical needs, and that this ballot question would allow the public to make decision to fund or not.

Brad Spires moved “to go forward with a tax to fund needs-based repairs,” seconded by Steve Thaler. Further Committee discussion followed regarding various options. Holly Luna requested clarification of the motion’s term “tax” with perhaps a revision to denote a “question” given that the Committee still had additional decisions to make regarding which tax rate(s) and terms. Mandy Kuskie indicated that, as a parent of Douglas students, she was a proponent of the list. A friendly amendment was pursued and agreed to by both Mr. Spires and Mr. Thaler to revise the motion to “move to go forward with a question to fund needs-based repairs identified within the District.” Further discussion was had about whether or not the list identified would be the only items the funding would be allocated to, and Mr. Johnson was asked whether or not that was appropriate. Marty Johnson responded that flexibility should be built in rather than hampering the District’s ability to address potential future State mandates. Mr. Trio was concerned about utilizing the proceeds to repair items where the school would be closed. Mr. Osbourne questioned the current remaining funds to which Holly Luna reviewed the various funds and funding sources as well as noting that those resources were already allocated to other projects.

Vote was taken with 8 ayes and 1 nay, with Mr. Brady, Mr. Thaler, Mr. Trio, Mr. Spires, Mr. Frels, Mr. Rippet, Mrs. Brown, Mrs. Kuskie voting aye, and Mr. Osborne representing Assemblyman Jim Wheeler as the lone nay. Committee discussion ensued regarding whether

there was sufficient support to move forward. After review of the legislative language, it was determined that Section 1(5) indicated that a majority of the established Committee constitutes a quorum and a majority of those members present at any meeting is sufficient for any official action taken by the Committee. The vote passed.

Chairman Brady requested that a set a criteria be established at the next meeting to help guide the Committee, and that a matrix be provided by JNA Consulting to summarize the data provided at this meeting for ease of use. Mrs. White indicated that she would pass the vote taken this evening on to the Board of Trustees. Further discussion arose regarding Washoe County's pursuit of this same legislation. Mr. Johnson was thanked for his overview.

Second Public Comment was opened and closed with no discussion.

**Next Meeting(s) Date(s):** The next Committee Meeting was set for **Wednesday, February 24<sup>th</sup> at 5:30 p.m.** at the District Office.

The meeting adjourned at approximately 7:05 p.m.

Respectfully Submitted,  
Holly Luna, CFO, Business Services  
Douglas County School District  
(775) 782-5131

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