

**MINUTES OF THE FEBRUARY 12, 2016  
PUBLIC SCHOOLS OVERCROWDING &  
REPAIR NEEDS COMMITTEE MEETING**

**1. Opening Items**

1.01 Call to Order

The meeting of the Public Schools Overcrowding & Repair Needs Committee was called to order at 9:00 a.m. at the Washoe County Complex, 1001 East Ninth Street, Caucus Room, Reno, Nevada.

1.02 Roll Call & Introductions

Chairman Shaun Carey and Committee Members Assemblywoman Teresa Benitez-Thompson, Commissioner Marsha Berkbigler, Bridget Burckhard, Anthony Carano, Mike Cate, Dana Galvin, Josh Hicks, Todd Koch, and Greg Peek were present. Committee Member Dylan Shaver was not present at the time of roll call. Committee Members Mike Kazmierski, Kevin Sigstad, Senator Debbie Smith, and Len Stevens were absent from the meeting. Deputy Superintendent Kristen McNeill and District staff were also present.

1.03 Public Comment

John Flangas had been a Reno resident since 1948. He did not believe any ballot question supporting a tax increase for the Washoe County School District would pass because of the current makeup of the Board of Trustees. Those supporting the question would have to advocate against the current Board because it was clear to the community the Board did not know how to function properly. Additionally, the community would have to see a reduction in District and school administrative costs by at least 50% because those costs were currently inflated and bloated.

*Committee Member Dylan Shaver arrived at the meeting at 9:04 a.m.*

Dan Holly remarked that taxing certain groups caused a financial strain on that particular group. It was very easy for governments to spend the money they received from taxpayers unwisely. He felt the Committee had to put restrictions on any funds that could go to the District. He believed that the District did need the additional funding, but wanted to make sure the money was spent correctly, especially since a tax increase would affect those on fixed incomes more, such as himself. The schools were overcrowded because previous Boards of Trustees did not realize how fast the area was growing and there were some people with children in the schools who were not paying taxes.

Andrew Diss recommended to the Committee that if they decided to put two potential

tax increases in a ballot question, then there should be two separate questions. The last time a similar question appeared on a ballot with two taxes included, it failed. He felt the language within Senate Bill (SB) 411 allowed for the Committee to recommend more than one question on the ballot.

Fred Cooper reminded the Committee that Superintendent Traci Davis had set a goal of a 90% graduation rate by 2020. The goal was worthwhile, even though aggressive. He recommended the Committee review the information presented by Carol Vilardo from the Nevada Taxpayers Association. She had indicated the community residents paid about 30% of the total sales tax revenues collected, with visitors and businesses paying about 60% combined, though she was not positive. He urged the Committee to consider speaking with Ms. Vilardo again to be sure of the information and to look not at the regressivity of sales tax, but the number of dollars an increase to the sales tax would cost low-income families.

## **2. Items for Discussion and Possible Action**

- 2.01 Presentation of the action taken by the Washoe County School Board of Trustees concerning the adoption of a resolution including creation of a new Capital Fund Protection Committee to oversee capital funds and the commitment to adopt the \$781 million school construction and repair plan adopted by the Public Schools Overcrowding & Repair Needs Committee

Angela Taylor, President, Washoe County School District Board of Trustees, explained the recent resolution adopted by the Board of Trustees creating a new Capital Fund Protection Committee to oversee any new revenue collected by a proposed tax increase. The Board had made a commitment, with the resolution, to follow the \$781 million plan for school construction and repair adopted by the Public Schools Overcrowding & Repair Needs Committee. The Board was interested in providing assurances to both the Committee and the community that any new revenue would be spent as intended and that the Board and District would be transparent in the allocation of the funds. The role of the new Capital Fund Protection Committee would provide as much oversight as possible with the funds as the Board could allow under Nevada Revised Statutes. She reviewed how the Capital Fund Protection Committee would operate and their responsibilities. It was important to note that if the Board disagreed with the recommendations of the new committee, the Board would have to do so in an open, public meeting and provide reasons why the Board disagreed with the recommendations. A new Board Policy was being developed to assure future Boards of Trustees would also be required to have the new committee review and approve capital funding.

Mr. Peek asked if the new committee was limited to only reviewing items included in the \$781 million plan. President Taylor stated the committee would be responsible for

reviewing where any new revenue from tax increases would be spent. Neil Rombardo, Chief General Counsel, Washoe County School District, added that the new committee mirrored the Oversight Panel for School Facilities, which was responsible for similar functions related to bond expenditures.

Mr. Shaver wondered what the timeline would be for having the Board Policy associated with the resolution passed. President Taylor indicated the Policy was on the next meeting agenda for the Board, which was scheduled for March 8, 2016. Lindsay Anderson, Director of Government Affairs, Washoe County School District, explained the process by which policies were reviewed and approved by the Board of Trustees.

Mr. Shaver commented that he had presented an update on the Public Schools Overcrowding & Repair Needs Committee to the City of Reno. The Reno City Council requested he pass along a sense of gratitude from Reno in the work done by the Committee and the willingness of the Board of Trustees to allow for additional oversight of new revenue.

Chairman Carey requested additional information on the composition of the new committee. Ms. Anderson remarked the membership would be the same as the Oversight Panel for School Facilities, which included the following representatives: two members each from the Reno City Council, Sparks City Council, and Washoe County Commission; and five private sector members representing the interests of finance, construction, public works, gaming, and general public.

Mr. Cate stated, as a current member of the Oversight Panel for School Facilities, the resolution and proposed Board Policy were good steps that would allow for additional oversight of any new revenue. He appreciated the new committee would have additional influence and that the Board of Trustees could not change projects without providing a reason.

Chairman Carey stated agenda items 2.02 and 2.03 would be heard at the same time.

2.02 Presentation on the role of the Washoe County Commission and the Registrar of Voters in the formation of a ballot question as recommended by the Public Schools Overcrowding & Repair Needs Committee pursuant to Senate Bill 411 from the 2015 Legislative Session

2.03 Overview of the statutory and legal authority of the committee as authorized in Senate Bill 411 of the 2015 Legislature and a review of past ballot measures for comparison

John Slaughter, County Manager, Washoe County, explained the process that would occur

once the Committee approved a resolution. The resolution would then be sent to the County Manager's office who would present the information to the Washoe County Commission in the form of a proposed ballot question. Once approved by the County Commission, the information would then be forwarded to the Registrar of Voters for inclusion on a ballot.

Luanne Cutler, Registrar of Voters, Washoe County, presented information on the process the ballot question would go through once her office received the approval from the County Commission. The Registrar of Voters Office would create argument committees to provide information both in support and opposition of the question to provide information for the sample ballot on how the question would impact the community. If any of the Committee members were interested in serving on the argument committees, she invited them to contact the Registrar of Voters Office.

Mr. Hicks requested clarification on the arguments committees. He wanted to make sure the Registrar reviewed the information presented by the committees for factual inaccuracies and if the committees were able to review the drafts prior to final submittal. Ms. Cutler explained the Registrar's Office would review the information to assure it is factual and share the arguments created by the committees with each other to allow for rebuttals to be crafted.

Mr. Peek asked about the timeline needed for the County to complete the work. Ms. Cutler indicated she was not too concerned with the timeline for the work of the Committee because they were nearing the end of their work. Normally, the deadline for the arguments committees was in August; however, she was hoping to have the work completed for the Committee's question in June. Once the County Commission had approved the proposed question, specific timelines would be developed.

Commissioner Berkbigler wondered if the Committee or the County Commission could allow for two ballot questions. Mr. Slaughter mentioned he would need to research the legislation to determine if two questions would be possible. Neil Rombardo, Chief General Counsel, Washoe County School District, indicated section 2 of Senate Bill 411 allowed the Committee to make multiple recommendations related to the taxes, but there could only be one question approved by the County Commission. He reviewed the legal authority of the Committee: (1) prepare recommendations for the imposition of one or more taxes as part of a ballot question; (2) determine the rate of increase for the tax or taxes being recommended; and (3) send recommendations to the County Commission.

Chairman Carey requested clarification on what could be considered part of the recommendations, namely if the Committee could include a list of projects the tax(es) could be used for. Mr. Rombardo remarked that it was his belief was that the Committee could only provide recommendations related to the taxes; however, he felt there were

methods that could be utilized by the Committee to assure their intent was included in the recommendations.

Mr. Rombardo reviewed the requirements of the County Commission in the legislation. The Commission was required to place the proposed question, developed by the Committee, on the November 8, 2016 General Election ballot. He felt it was critical the legislation was interpreted conservatively so the possibility of legal challenges was minimized.

Chairman Carey asked about the process of how questions were numbered on the ballot. Ms. Cutler indicated the questions for Washoe County were determined on a first come, first serve basis. Mr. Rombardo added because the County Commission would be placing the question on the ballot, it would be a Washoe County question and not a Washoe County School District question. The order for questions would first be any State of Nevada questions and then Washoe County questions.

Mr. Rombardo provided additional information on the language that would need to be included in the question depending on the tax being used. The legislation mandated the Washoe County School District deposit any revenue received from the tax(es) into the Capital Projects Fund. The funds could be pledged towards any bonds or obligations related to capital projects. The funds may not be used to settle any disputes or any salaries and/or benefits. He had reached out to the Office of the Nevada Attorney General and Nevada Department of Taxation to clarify the authority of the Committee based on Senate Bill 411. Neither office was concerned with the legal mandates of the authority granted to the Committee to provide recommendations and a question to the County Commission for an increase to one or more taxes. He provided additional information on previous ballot questions from the Washoe County School District. Previous questions did not list the projects in the questions because if the specific projects were included in the question and the question was approved, then those specific projects had to be completed. The Committee could include the proposed projects they were interested in seeing completed in the explanation to the question which would allow the governing authority, i.e. the School District, the ability to change projects as needed depending on growth. He reminded the Committee of the resolution and draft Board Policy approved by the Board of Trustees to provide greater citizen input and authority related to capital projects. A draft recommendation was provided to the Committee as an example of what the Committee could present to the County Commission.

Mr. Sigstad wondered if the Committee would have to specify the tax increase was based on 20-year bonding capabilities. Mr. Rombardo noted the Committee did have the ability to place a term on how long the tax could be in effect for, though placing terms on the tax would have an impact in the bonding ability of the District. Kendra Follett, Attorney, Sherman & Howard LLC., stated investors were hesitant when a tax was set for

termination or sunset, especially if the bond was to be issued near the sunset date. Governments would not typically use revenue streams that would sunset for bonding ability.

Mr. Sigstad wondered if the revenue could be split to allow for a portion of any new funding to go directly to maintenance. Mr. Rombardo mentioned there was not a way that could be done in the question because it would be incongruent with Nevada Revised Statutes, but it was important to remember the money could only be used for capital projects, which included maintenance and the revitalization of buildings.

Assemblywoman Benitez-Thompson asked what some of the practical implications would be to including a sunset on the taxes. Ms. Follett commented that the rating agencies would review the revenue stream used to finance the bond and would take into account if there was a sunset on that revenue stream. Tom Ciesynski, Chief Financial Officer, Washoe County School District, added the District would not issue bonds for the entire \$781 million in projects at once, but over a nine year period. If the District issued bonds at the end of the period, they would need at least 20 years included in the term of the tax to pay for the final bonds if 20-year bonds were utilized.

*Chairman Carey recessed the meeting for 10 minutes.*

2.04 Discussion and possible action to adopt a proposal to fund school construction a repair needs either to: (1) increase only the sales tax and establish an appropriate rate thereto, or (2) increase the sales tax and property tax and establish the appropriate rates thereto, one of which will be included in a recommendation for a ballot question to be included in the 2016 General Election as authorized by Senate Bill 411

Chairman Carey explained the process the Committee would utilize in conducting a discussion and taking action.

It was moved by Mr. Sigstad and seconded by Ms. Galvin that **the Public Schools Overcrowding and Repair Needs Committee recommends a 0.54% increase to the sales tax to fund capital expenditures for the acquisition, construction, repair, and revitalization of schools in the Washoe County School District and the approved recommendation returns to the Committee in the form of a resolution to be presented to the Washoe County Commission.**

Chairman Carey opened the motion for discussion.

Mr. Shaver expressed support of the motion, but felt there were ancillary issues that should be addressed, specifically the term of the tax or if the term should be open-ended.

Chairman Carey indicated a discussion on any term of the tax would have to be properly agendized for discussion. He would be including on the next meeting agenda a resolution related to the final outcome of the present motion, which could include a discussion on the term of the tax. He was interested in having at least two readings of the resolution to assure the Committee and the community had a chance to review the language prior to sending it to the County Commission.

Mr. Shaver noted that when the Committee first began discussions which taxes to include in a ballot question he had been in favor of using more than one; however, he now felt that using only the sales tax was the best option because it was the simplest and easiest for everyone in the community to understand. Additionally, the polling data presented by The Chamber showed the community was more supportive of a single source tax if there were to be an increase.

Mr. Koch agreed with Mr. Shaver. He had reviewed the information thoroughly and the sales tax option was the best method for the community to understand and would have the most minimal effect.

Mr. Cate mentioned that the community had been presented with initiative after initiative related to increasing the funds for the School District. The District would continue to require a capital fund source after the \$781 million plan was completed so he would be in favor of not having a possible sunset. Additionally, an increase to the property tax appeared to have a much larger pushback from the community, so he would be supporting the motion for an increase to sales tax only.

Mr. Sigstad remarked that based on the information presented by the District and others, he was not in favor of a sunset on the tax because it could hamper the District's ability to bond and the District would continue to need funds after the plan had been completed.

Commissioner Berkbigler commented that the best way to fund infrastructure projects was to utilize as broad based a tax as possible. If the Committee wanted the question to pass, then it was important to make the question as simple as possible. The community understood the School District needed additional funding but the revenue had to be set aside for only capital projects.

Ms. Burckhard expressed some concern that there had not been a lot of opposition raised during public comment periods, including during the public hearing held by the Committee. She agreed the simplest method was to use the sales tax only option and introducing the property tax would create more opposition.

Chairman Carey opened the motion to public comment.

Edwin (no last name provided) remarked that the Committee should keep in mind the County still had the star-bonds in place so the community could have an issue increasing their own taxes when there were still a number of businesses not paying their taxes.

The result of the vote was Unanimous: Pass. Final Resolution: Motion Carries.

#### 2.05 Requests for future agenda items

Chairman Carey indicated a draft resolution would be provided to the Committee at the next meeting to allow the language to be reviewed.

Mr. Hicks requested the Committee discuss possible appointments or recommendations to the arguments committee in favor of the question.

Mr. Shaver requested a discussion on a possible sunset to the tax increase and additional information on star-bond districts.

### **3. Closing Items**

#### 3.01 Announcement of Next Meeting

The next meeting of the Public Schools Overcrowding and Repair Needs Committee would be held on February 26, 2016 at 9:00 a.m. at the Washoe County Complex.

#### 3.02 Public Comment

There was no public comment at this time.

#### 3.03 Adjourn Meeting

There being no further business to come before the members of the committee, Chairman Carey declared the meeting adjourned at 10:32 a.m.

---

**Shaun Carey, Chair**