

Meeting Minutes

Thursday, October 19, 2017 at 9 am
TMWA Conference Rooms, 1355 Capital Blvd, Reno, NV



Members

- Bob LaRiviere, Chair
- Tray Abney, Vice Chair
- Dave Aiazzi
- Jay Aldean
- Andrew Diss
- Matthew Duplantis
- Tyson Falk
- Marge Frandsen
- Mike Kazmierski
- Dick Mills
- Julia Ratti
- George Robison
- Dean Schultz
- Scott Smith
- Mike Sprinkle
- Rod Young

1. Call to Order

- A. Roll Call and Establishment of Quorum - Chair LaRiviere called the meeting to order at 9:00 am. Chair LaRiviere announced that Lea Tauchen has left the Retail Association of Nevada and Mary Lau has appointed Tyson Falk to replace her. Tyson is on vacation this week, but will be joining the committee at the next meeting.

A quorum was established with voting members: Tray Abney, Dave Aiazzi, Andrew Diss, Matthew Duplantis (arrived at 9:04), Marge Frandsen, Mike Kazmierski (arrived at 9:19), Bob LaRiviere, Dick Mills, George Robison, and Scott Smith. Non-voting members Jay Aldean and Dean Schultz were also present. Members Tyson Falk, Julia Ratti, Mike Sprinkle, and Rod Young were absent.

TRFMA staff present: Laura Bayer, Ed Evans, Danielle Henderson, Eric Scheetz, Lori Williams, and Michael Wolz.

- B. Public Comment – Jeff Church, Renotaxrevolt.com, stated this is the wrong time to consider a tax increase due to school district’s WC-1 that just passed.
- C. Approval of Agenda for October 19, 2017 (*For Possible Action*)
Motion 2017.10.19.1C to approve the agenda for October 19, 2017.
Moved: Aiazzi Seconded: Mills
Passed Unanimously with those present.
- D. Approval of Draft Minutes of October 5, 2017 Meeting (*For Possible Action*)

Chair LaRiviere corrected his statement on page 2, paragraph 4, the dollar amount should say \$60 for a \$300K house, not \$600. Also, on page 5 Summary Item F should include meeting with John Flansberg.

Scott Smith corrected page 2, paragraph 6, the statement “Scott Smith added...would a Hidden Valley GID fit in there”; he did not say Hidden Valley GID, just a GID in general.

Member Duplantis arrived at 9:04 am.

- Motion 2017.10.19.1D to approve the draft minutes of October 5, 2017 as corrected.**
Moved: Frandsen Seconded: Aiazzi
Passed Unanimously with those present.

- 2. Presentation and discussion regarding the \$180 million of federal cost-share funding, and whether to include the potential \$180 million in the calculation of the estimated total cost of the Truckee River Flood Protection Plan. Possible action to direct staff to include or exclude the federal cost-share funding in the Truckee River Flood Protection Plan estimated total cost for the purpose of preparing recommendations for the imposition of one or more of the taxes, fees, rates, charges, levies or assessments in accordance with Assembly Bill 375 (2017). Requested by Mills (9/22/17) and Schultz (10/5/17). (For Possible Action)**

Jay Aldean explained the federal appropriation process. He noted the Corps starts with studies which are ordered by a Congressional Act. When the studies are done, the Corps goes back to Congress for authorization then the Corps signs a partnership agreement with local sponsors. The Corps tells the community how much money they need and Corps builds the project locally.

For example, if the Corps gets \$4 billion and they distribute it over 600 projects; the reimbursements to the local sponsors come last, but it does come. No one can predict when the money will come; the Corps allocates money as they see fit.

If the Committee decided to include the \$180 million in the financial analysis. There is an issue of risk; we will be discussing direct benefit fees; there is an obligation that when you start collecting a fee; the agency has to provide the resource that the fee is going towards. We need to show progress toward completing that project. If we do not get a federal appropriation in a particular year, there would be a shortfall which would pose a risk to the community to make up that difference.

Member Kazmierski arrived at 9:19 am

Jay Aldean continued, if the committee decides to include the \$180 million in the financial analysis, how would they like staff to include those funds in the financial model? If we're going to include it in the model, we need to know now so we can make the necessary changes.

Mike Kazmierski moved to include it in the model.

Aldean explained that the \$180 million is the full federal contribution to the project. The federal government has already spent \$40 million since 1996 on planning this project which are sunk costs and we will owe \$20 million when we sign the partnership agreement so the net we get is \$160 million. Aldean said we will carve out phases for the Corps to build. It is a good assumption that we could have an annual, or an every other year, contribution of \$4, 5, or 6 million that would come, match with our money, and then we could build that portion of the project. It is a very tricky negotiation; takes 1 ½ to 2 years to negotiate the partnership agreement.

General Counsel Wolz suggested approving the motion with the caveat that staff come back with a proposal on how that would be included in the model.

George Robison seconded the motion with the condition that staff develops a calculated phasing plan.

Vice Chair Abney asked staff to produce a document showing two columns, one including the federal cost-share and one without. Aldean confirmed staff will create two separate scenarios: with and without federal funding.

Andrew Diss asked to clarify that the motion is asking the taxpayers for less money; Chair LaRiviere confirmed that.

Marge Frandsen stated that the federal cost-share went from \$180 million to \$160 million because the Corps has done \$40 million in planning work already. How much have we contributed to the project so far through taxes? Aldean replied \$5.5 million could be applied to the project; the money spent on the Indian colony levy is eligible to be used as cost share; the land that's underneath the levy was contributed by the state; North Truckee Drain would be eligible. There's roughly \$10 million of money that we could count toward federal cost share to go against the \$20 million we owe.

In response to a question from Marge Frandsen, Aldean explained that November 2018 is the latest to get taxes approved and then negotiate the partnership agreement because we have until 2021 before we are out of the appropriation.

Scott Smith inquired about the land purchases. Aldean stated all eligible land is applicable toward the cost-share. Much of the Mill and McCarran area will be used as fill and would end up as recreational property under the control of the City of Reno. Property turned over to Parks would not be eligible to be in the Corps plan.

Vice Chair Abney asked if we haven't signed a partnership agreement yet, is there a good chance that the cost could change either way. Aldean replied that HDR put a 30% contingency in their calculations which is a very heavy contingency.

Dick Mills stated he strongly agrees but the most important thing is to get the project moving along. If we collected that money earlier, then get \$180 million, would the taxes go away? Michael Wolz replied yes the tax would sunset earlier. Dave Aiazzi noted that it would be up to the Flood Board in 2032 whether to pay off the bonds early. Also, we could maybe sell that property at Mill and McCarran rather than give it to parks and recreation.

Laura Bayer, FCPNC Liaison, read the draft motion and second on the table as follows: Member Kazmierski moves to include the \$180 million in the model. Member Robison seconds the motion with the condition that staff develops a calculated phasing plan.

Mike Kazmierski said he thinks the \$180 million needs to be part of the package we take to the voters. The faster we move forward on a path, the less chance of paralysis by analysis.

Member Kazmierski clarified his motion as follows: moves to include the federal funding into our primary recommendation and if something comes up later, address it then. Secoder Member Robison agrees with the clarification. All in favor except Member Aiazzi. The motion passes.

3. Presentation and discussion on the project costs calculated for different Truckee River flood control project construction durations. Possible action to select a specific construction duration for use in future project cost calculations. Requested by Ratti (10/5/17). (For Possible Action)

John Sherman explained that he took the phasing analysis and its associated annual costs and tried to keep continuity of the phases together. He reviewed the differences between project costs using construction completion dates of FY2033 and FY2043.

Dave Aiazzi said we keep talking about this in 2016 dollars, but we're not going to voters until 2018. Should we talk in 2018 dollars? Mike Kazmierski added it's hard to not assume construction costs will increase but your income will not increase.

In response to a question from Jay Aldean, John Sherman said he is still working with the school district's financial advisor to determine what their restraints were for bonding against sales tax.

Dave Aiazzi requested staff base everything on 2018 dollars so it's what it is on Election Day, November 6, 2018. John Sherman will change to 2018 dollars.

In response to an inquiry from Scott Smith, Jay Aldean stated HDR put the costs together in 2013 and updated it in 2017 using a factor through 2016.

PUBLIC COMMENT – Jeff Church, Renotaxrevolt.com, stated there is a labor shortage so even if the project gets the money will we have labor to do the work? For the record, WC1 was not \$781 million because it has no sunset.

Mike Kazmierski moved to build the project as quickly as possible and spread the debt out as far as possible. Andrew Diss seconded.

Dave Aiazzi stated he is not going to support the motion and suggests putting construction over a longer period of time. He suggested putting the bridges, which are 25% of the cost of the project, at the end. More construction projects over time helps the community.

Chair LaRiviere stated we are asking voters for a considerable amount of money and extending the construction period; what if there's a flood?

Vice Chair Abney asked if there is a way to stretch the debt out further but build it quick? John Sherman replied that the project will cost more if you stretch

construction out; however, the annual revenue requirement is less if you stretch the construction out. Vice Chair Abney said we're going to use 30 year bonding, however, he is not ready to say a 2033 or 2043 completion date until we talk about the bowl of taxes and fees we're using to fund this.

Dean Schultz suggested tabling this motion for a while. The lower you can make that number the more yes votes you're likely to get. The faster the work can be done, the better, but subject to seeing how we're going to accumulate the money. Jay Aldean said staff will maintain the 30-year debt financing scenario and include a 15- or 25-year construction analysis.

Member Kazmierski tabled the motion to a later date.

- 4. Presentation and discussion of: revenue yields from different possible increases to Room Tax, Real Property Transfer Tax, Supplemental Governmental Services Tax, and Property Tax; percentage increases to the current rates resulting from the hypothetical tax increases; and estimates of the average cost to taxpayers resulting from the hypothetical tax increases. Requested by Abney (10/5/17).**

John Sherman reviewed the new information on the summary noting this is an addendum to item #2 on the October 5th agenda. Andrew Diss would like to see another column for each category on the bottom table showing what was the total taxable room revenue in Washoe County last year; what is the total price of all taxable real property transferred for the year; what is the total taxable value of all cars sold in Washoe County per year; what is the assessed value of all the property in Washoe County because that's going to be the multiplier for whatever rate we come up with.

In response to a question from Dean Schultz, Michael Wolz stated he has worked with outside counsel and they have not found any other taxes to use.

Scott Smith requested adding a fourth column to the *Summary of Review Yields* page indicating how high we can go and why. Jay Aldean will footnote the two taxes that have constitutional caps in the next presentation.

- 5. Committee Member Comments, Requests, and Future Agenda Items**

Dave Aiazzi stated he and Jay Aldean had a meeting with the RTC. Lee Gibson will make a presentation to the committee regarding committing funds for certain project elements. Chair LaRiviere asked for both Lee Gibson and John Flansberg to present; Jay Aldean said we only need Lee Gibson.

- 6. Public Comment** - Chair LaRiviere called for Public Comment and hearing none, he closed this item.

- 7. Adjournment (For Possible Action) – 11 am.**

Respectfully Submitted,
Laura Bayer, FCPNC Liaison
Approved in Session on November 2, 2017.