

# **Douglas County**

## **Debt Management Policy**

### **Fiscal Year 2018**

**Prepared July 2017**



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## **EXECUTIVE SUMMARY**

This Debt Management Policy was created to fulfill the requirements of NRS 350.013. Douglas County (the “County”) is generally limited in the bonds it can issue by its statutory debt limit, the \$3.64 limit on overlapping tax rates, and the amount of revenue available to pay debt service on bonds. This Debt Management Policy discusses the outstanding and proposed debt of the County, its ability to afford such debt, and other items relating to the issuance of bonds by the County.

### Outstanding General Obligation Debt

As of June 30, 2017, the County has \$26,830,087 of general obligation debt outstanding comprised of \$5,970,000 of general obligation medium-term bonds and \$20,860,087 of general obligation revenue bonds.

### Outstanding Other Debt

The County also has \$12,582,000 of revenue bonds outstanding which are secured by specific pledged revenues and are not general obligation debt.

### Proposed General Obligation Debt

The County reserves the right to issue additional debt any time legal requirements are met.

Most of the County’s debt is paid from sources other than property taxes with approximately 77% of the County’s general obligation debt paid from water and sewer system revenues. The County presently has approximately \$269,026,000 of statutory debt limit available.

This policy contains information regarding the general obligation debt and capital improvement plans of the County and its component units, the Town of Gardnerville, Town of Minden, Town of Genoa, and the Douglas County Redevelopment Agency.

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**Affordability of Existing, Authorized, and Proposed General Obligation Debt**

*NRS 350.013 1.(c)(1) A discussion of its ability to afford existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt;*

*NRS 350.013 1.(c)(6) A discussion of its sources of money projected to be available to pay existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt;*

**Outstanding, Authorized, and Proposed Debt**

As of June 30, 2017, the County has \$20,860,087 of outstanding general obligation revenue supported debt and \$5,970,000 of general obligation medium-term debt outstanding. The County has \$12,582,000 of revenue bonds outstanding. The following tables list the County's outstanding debt.

**Outstanding Debt**  
June 30, 2017

Issue	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
<b><u>GENERAL OBLIGATION DEBT</u></b>				
<b><u>GENERAL OBLIGATION MEDIUM-TERM BONDS</u></b>				
Community Center Bonds	03/19/13	03/01/23	7,800,000	<u>5,970,000</u>
	TOTAL G.O. MEDIUM-TERM BONDS			\$5,970,000
<b><u>GENERAL OBLIGATION REVENUE BONDS</u></b>				
<i>Consolidated Tax Secured Bonds</i>				
Community Center Bonds	08/01/12	08/01/32	6,750,000	6,450,000
<i>Water Systems Revenue Secured Bonds</i>				
SRF Water Bond, Series 2005D	12/30/05	07/01/25	674,542	379,588
SRF Water Bond, Series 2009	03/06/09	07/01/28	3,500,000	1,817,774
SRF Water Bond, Series 2010	02/11/10	01/01/30	1,150,000	850,895
Water Bonds, Series 2010A (RZEDB)	09/01/10	12/01/29	1,570,000	1,570,000
Water Imp. & Ref. Bonds, Series 2010B	09/01/10	12/01/22	3,970,000	1,950,000
SRF Water Bond, Series 2011A	04/29/11	01/01/31	1,000,000	824,474
Water Refunding Bonds, Series 2012A	03/22/12	11/01/24	2,485,000	1,825,000
SRF Water Bond, Series 2012	07/13/12	07/01/32	1,300,000	961,990 <sup>1</sup>
SRF Water Improv. Bond, Series 2014	10/29/14	07/01/34	1,000,000	537,956

- table continued on following page -

Issue	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
<i>Sewer System Revenue Secured Bonds</i>				
Sewer Refunding Bonds, Series 2010C	09/01/10	12/01/20	2,420,000	1,160,000
Sewer Refunding Bonds, Series 2014	05/22/14	08/01/24	2,010,000	1,637,000
SRF Sewer Loan, Series 2016	05/17/16	07/01/37	5,550,000	53,410 <sup>2</sup>
<i>Transportation Room Tax Secured Bonds</i>				
Transportation Refunding Bonds	07/10/12	05/01/20	2,009,000	<u>842,000</u>
TOTAL GENERAL OBLIGATION REVENUE BONDS				\$20,860,087
<b>TOTAL GENERAL OBLIGATION DEBT OUTSTANDING</b>				<b>\$26,830,087</b>
<b><u>REVENUE BONDS</u></b>				
Airport Revenue Bonds	12/02/14	06/01/29	\$1,075,000	\$947,000
Highway Revenue Bonds, Series 2016A	11/30/16	11/01/36	11,635,000	<u>11,635,000</u>
TOTAL REVENUE BOND DEBT				\$12,582,000
<b><u>OTHER DEBTS</u></b>				
Capital Lease-Vac Con Truck	07/15/14	10/15/20	\$320,000	\$188,929
Capital Lease-911 Emergency Console	10/27/16	10/27/23	<u>410,000</u>	<u>410,000</u>
TOTAL OTHER DEBT				\$598,929
GRAND TOTAL ALL OUTSTANDING DEBT				\$40,011,016

<sup>1</sup> The County has authorization for \$1,000,000, it has drawn \$537,956 as of June 30, 2017. Until the County makes its final draw or until three years from issuance it makes interest-only payment on the actual principal drawn.

<sup>2</sup> The County has authorization for \$5,550,000, it has drawn \$53,410 as of June 30, 2017. Until the County makes its final draw or until three years from issuance it makes interest-only payment on the actual principal drawn.

SOURCE: Douglas County 2018 Final Budget; updated for loan draws after adoption of the Final Budget

The following sections demonstrate the ability of the County to make principal and interest payments on its outstanding bonds.

### General Obligation Bonds

The County currently has no outstanding general obligation debt paid by the levy of a specific property tax.

### General Obligation Medium-Term Bonds

The County currently has \$5,970,000 of outstanding medium-term debt secured by all legally available resources. The County pays principal and interest on the bonds from specific revenue sources. Debt service payments on these bonds are made from revenues received from the levy of a \$.05 tax override (the "Capital Projects Tax") and resources in the Room Tax Fund, if necessary. The following table details the remaining payments on the bonds.

**General Obligation Medium-Term Bonds**  
**Outstanding Debt Service**  
June 30, 2017

Fiscal Year	Outstanding Bonds		Total Debt Service
	Principal	Interest	
2018	\$945,000	\$122,385	\$1,067,385
2019	965,000	103,013	1,068,013
2020	985,000	83,230	1,068,230
2021	1,005,000	63,038	1,068,038
2022	1,025,000	42,435	1,067,435
2023	<u>1,045,000</u>	<u>21,423</u>	<u>1,066,423</u>
TOTAL	\$5,970,000	\$435,523	\$6,405,523

SOURCE: Douglas County Finance Division

While the revenues shown are not pledged to the outstanding bonds, the following table demonstrates the sufficiency of these revenues to pay the outstanding bonds.

**General Obligation Medium-Term Bonds  
Debt Service Coverage**

	<b>2016 Audited</b>	<b>2017 Estimated</b>	<b>2018 Budgeted</b>
Capital Projects Tax Fund Revenues	\$1,254,127	\$1,299,747	\$1,309,139
Room Tax Fund Revenues	<u>615,432</u>	<u>622,279</u>	<u>548,308</u>
Total Revenues	\$1,869,559	\$1,922,026	\$1,857,447
Annual Debt Service	\$1,064,900	\$1,066,348	\$1,067,385
Coverage	1.76	1.80	1.74

SOURCE: Douglas County Finance Division



**General Obligation Consolidated Tax Secured Bonds**

The County currently has \$6,450,000 of outstanding general obligation debt secured by a portion of the County's Consolidated Tax. The County is allowed to pledge 15% of the revenues collected by the County from the Consolidated Tax. The following table details the remaining payments on the bonds.

**Consolidated Tax Secured Bonds**  
**Outstanding Debt Service**  
 June 30, 2017

Fiscal Year Ending June 30	Principal	Interest	Annual Debt Service
2018	\$0	\$197,194	\$197,194
2019	0	197,194	197,194
2020	0	197,194	197,194
2021	0	197,194	197,194
2022	0	197,194	197,194
2023	0	197,194	197,194
2024	545,000	189,019	734,019
2025	565,000	172,369	737,369
2026	585,000	155,119	740,119
2027	605,000	137,269	742,269
2028	630,000	118,744	748,744
2029	650,000	99,544	749,544
2030	675,000	79,669	754,669
2031	705,000	58,528	763,528
2032	730,000	36,106	766,106
2033	<u>760,000</u>	<u>12,350</u>	<u>772,350</u>
TOTAL	\$6,450,000	\$2,241,878	\$8,691,878

SOURCE: Douglas County Finance Division

The following table demonstrates the debt service coverage for the bonds.

**Consolidated Tax Secured Bonds  
Debt Service Coverage**

	<b>2016 Audited</b>	<b>2017 Estimated</b>	<b>2018 Budgeted</b>
Pledged Revenues	\$1,688,061	\$1,727,436	\$1,747,587
Annual Debt Service	\$301,694	\$298,694	\$197,194
Coverage	5.60	5.78	8.86

SOURCE: Douglas County Finance Division

## General Obligation Water Systems Revenue Secured Bonds

The County currently has \$10,717,677 of outstanding general obligation debt secured by a lien on the net pledged revenues of the water systems of the County. The following table details the remaining payments on the County's outstanding water revenue bonds.

### Water Systems Revenue Secured Bonds Outstanding Debt Service June 30, 2017

Fiscal Year Ended June 30	Outstanding Water Bonds Debt Service <sup>1</sup>		Pro Forma Debt Service 2014 SRF Loan <sup>2</sup>		Grand Total
	Principal	Interest (Accrual Basis)	Principal	Interest	
2018	\$949,798	\$326,212	\$15,157	\$20,806	\$1,311,973
2019	979,550	291,461	48,651	24,280	1,343,942
2020	1,019,601	254,522	49,905	23,010	1,347,038
2021	1,064,963	215,920	51,191	21,708	1,353,782
2022	815,643	182,043	52,509	20,372	1,070,567
2023	691,652	155,470	53,862	19,002	919,986
2024	748,000	130,087	55,250	17,597	950,934
2025	769,697	104,804	56,673	16,155	947,329
2026	596,303	83,705	58,133	14,676	752,817
2027	592,134	65,320	59,631	13,159	730,244
2028	608,378	46,370	61,168	11,603	727,519
2029	629,971	26,795	62,743	10,007	729,516
2030	461,056	11,178	64,360	8,370	544,964
2031	142,953	3,763	66,018	6,691	219,425
2032	72,893	1,380	67,719	4,968	146,960
2033	37,128	0	69,464	3,201	109,793
2034	0	0	71,253	1,389	72,642
2035	<u>0</u>	<u>0</u>	<u>36,313</u>	<u>0</u>	<u>36,313</u>
<b>TOTAL</b>	<b>\$10,179,720</b>	<b>\$1,899,030</b>	<b>\$1,000,000</b>	<b>\$236,994</b>	<b>\$13,315,744</b>

<sup>1</sup> Net of the expected RZEDB Credit.

<sup>2</sup> Pro forma debt service and payments will change as additional draws are made, the County pays principal and interest only on the actual amount drawn. The amount outstanding as of June 30, 2017 is \$537,956, and additional draws of \$462,044 are projected for fiscal year 2017-18.

SOURCE: Douglas County Finance Division

The following table demonstrates the debt service coverage for the outstanding water systems revenue bonds.

**Water Systems Revenue Secured Bonds  
Debt Service Coverage**

	2016 Audited	2017 Estimated	2018 Budgeted
Operating Revenues	\$5,600,484	\$6,059,217	\$5,866,133
Operating Expenses <sup>1</sup>	(2,992,467)	(3,874,362)	(4,008,250)
Nonoperating Revenues <sup>2</sup>	697,552	45,680	44,180
CWSD Annual Funding	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>
Net Pledged Revenues	\$3,430,569	\$2,355,535	\$2,027,063
Annual Debt Service	\$1,694,464	\$1,605,868	\$1,354,182
Less Interest Subsidy (IRS Credit)	<u>(42,390)</u>	<u>(42,390)</u>	<u>(39,466)</u>
Net Annual Debt Service <sup>3</sup>	\$1,652,074	\$1,563,478	\$1,314,716
Coverage	2.08	1.51	1.54

<sup>1</sup> Excludes depreciation.

<sup>2</sup> Capital contributions are included in Nonoperating Revenues.

<sup>3</sup> Net annual debt service reflects the accrual basis of accounting as reported in the County's audited financial statements and annual budgets, includes budgeted debt service for SRF loans that are still in the draw down phase and is net of the expected interest subsidy available on the 2010A Recovery Zone Economic Development water bonds.

SOURCE: Douglas County; compiled by JNA Consulting Group, LLC

### General Obligation Sewer System Revenue Secured Bonds

The County currently has \$2,850,410 of outstanding general obligation debt secured by a lien on the net pledged revenues of the County's sewer systems. The following table details the remaining payments on the bonds.

#### Sewer System Revenue Secured Bonds Outstanding Debt Service June 30, 2017

Fiscal Year Ended June 30	Outstanding Sewer Bonds Debt Service		Pro Forma Debt Service 2016 SRF Loan <sup>1</sup>		Grand Total
	Principal	Interest (Accrual Basis)	Principal	Interest	
2018	\$458,000	\$75,606	\$0	\$57,435	\$591,041
2019	473,000	62,170	0	113,775	648,945
2020	498,000	47,158	275,941	109,540	930,639
2021	509,000	30,680	281,627	103,796	925,103
2022	205,000	20,400	287,430	97,933	610,763
2023	210,000	14,558	293,352	91,950	609,860
2024	216,000	8,027	299,397	85,843	609,267
2025	228,000	623	305,566	79,611	613,800
2026	0	0	311,862	73,250	385,112
2027	0	0	318,288	66,759	385,047
2028	0	0	324,847	60,133	384,980
2029	0	0	331,540	53,371	339,663
2030	0	0	338,372	46,469	339,664
2031	0	0	345,344	39,426	384,770
2032	0	0	352,459	32,237	384,696
2033	0	0	359,722	24,900	384,622
2034	0	0	367,134	17,412	384,546
2035	0	0	374,699	9,770	384,469
<u>2036</u>	<u>0</u>	<u>0</u>	<u>382,420</u>	<u>1,970</u>	<u>384,390</u>
<b>TOTAL</b>	<b>\$2,797,000</b>	<b>\$259,222</b>	<b>\$5,550,000</b>	<b>\$1,165,580</b>	<b>\$9,681,377</b>

<sup>1</sup> The County has authorization for \$5,550,000, it has drawn \$53,410 as of June 30, 2017. Until the County makes its final draw or until three years from issuance it makes interest-only payment on the actual principal drawn.

SOURCE: Douglas County Finance Division

The following table demonstrates the debt service coverage for the bonds.

**Sewer System Revenue Secured Bonds  
Debt Service Coverage**

	<b>2016 Audited</b>	<b>2017 Estimated</b>	<b>2018 Budgeted</b>
Operating Revenues	\$2,040,927	\$2,015,552	\$2,094,000
Operating Expenses <sup>1</sup>	(998,339)	(1,913,033)	(2,528,924) <sup>2</sup>
Nonoperating Revenues	<u>38,908</u>	<u>7,000</u>	<u>2,567</u>
Pledged Revenues	\$1,081,496	\$109,519	(\$432,357)
Annual Debt Service <sup>3</sup>	\$751,455	\$655,091	\$534,701
Coverage	1.44	0.17	(0.81) <sup>4</sup>

<sup>1</sup> Excludes depreciation.

<sup>2</sup> The increase in operating expenses is due to \$1,451,500 IN MAJOR REPAIRS AND MAINTENANCE PROJECTS BUDGETED FOR FISCAL YEAR 2018. These one time expenses will be financed with reserve funds.

<sup>3</sup> Annual debt service reflects principal and interest on the accrual basis of accounting as reported in the County's audited financial statements and annual budgets.

<sup>4</sup> The County has a budgeted ending fund balance of \$1,758,935 which is available to pay debt service.

SOURCE: Douglas County Finance Division

**General Obligation Transportation Room Tax Secured Bonds**

The County has pledged the revenues generated by a 1% room tax levied in the Lake Tahoe area for the payment of bonds issued for transportation improvements of which \$842,000 is outstanding. The following table details the remaining payments on the bonds.

**Transportation Room Tax Secured Bonds  
Debt Service**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Annual Debt Service</b>
2018	\$275,000	\$16,089	\$291,089
2019	281,000	10,338	291,338
2020	<u>286,000</u>	<u>4,472</u>	<u>290,472</u>
<b>TOTAL</b>	<b>\$842,000</b>	<b>\$30,898</b>	<b>\$872,898</b>

SOURCE: Douglas County Finance Division

The following table demonstrates the debt service coverage for the bonds.

**Transportation Room Tax Secured Bonds  
Debt Service Coverage**

	<b>2016 Audited</b>	<b>2017 Estimated</b>	<b>2018 Budgeted</b>
Pledged Revenues	\$621,642	\$628,563	\$553,846
Annual Debt Service	\$288,144	\$288,684	\$291,089
Coverage	2.16	2.18	1.90

SOURCE: Douglas County Finance Division

**General Obligation Debt Limit**

*NRS 350.013 1.(c)(2) A discussion of its capacity to incur authorized and proposed future general obligation debt without exceeding the applicable debt limit;*

The County is limited by state statutes as to the amount of general obligation debt it can have outstanding. The limit is equal to 10 percent of the County's total assessed valuation including the Redevelopment Agency. As of June 30, 2017, the County has \$20,860,087 of general obligation revenue supported debt and \$5,970,000 of medium-term general obligation debt outstanding. Based on the projected fiscal year 2018 assessed value, the County's available general obligation debt limit is \$269,026,968.

**General Obligation Debt Limit**

Based on Projected Fiscal Year 2017 Assessed Value

Douglas County Assessed Value	\$2,850,564,551
Douglas County Redevelopment Agency Assessed Value	<u>108,006,002</u>
Total Assessed Value	2,958,570,553
General Obligation Debt Limit (10%)	295,857,055
Outstanding General Obligation Debt	26,830,087
Proposed General Obligation Debt	<u>0</u>
Available General Obligation Debt Limit	<u>\$269,026,968</u>

Other factors also limit the amount of debt the County can issue. These factors include, but are not limited to; overlapping tax rates, available revenues, market conditions, type of projects to be funded.



### General Obligation Debt Comparisons

*NRS 350.013 1.(c)(3) A discussion of its general obligation debt that is payable from property taxes per capita as compared with such debt of other municipalities in this state;*

*NRS 350.013 1.(c)(4) A discussion of its general obligation debt that is payable from property taxes as a percentage of assessed valuation of all taxable property within the boundaries of the municipality;*

The following table shows a comparison of the County's outstanding debt with other comparable local governments.

#### General Obligation Debt Comparison June 30, 2017

County	General Obligation Debt	Population <sup>1</sup>	FY 2017 Assessed Value <sup>2</sup>	GO Debt Per Capita	GO Debt as a % of Assessed Value
Carson City	\$168,999,686	55,283	\$1,445,154,773	\$3,056.99	11.69%
Clark County	2,484,909,235	2,198,682	74,597,622,262	1,130.18	3.33%
<b>Douglas County</b>	<b>26,830,087</b>	<b>48,452</b>	<b>2,850,564,551</b>	<b>553.75</b>	<b>0.94%</b>
Lyon County	11,392,709	53,844	1,566,054,910	211.59	0.73%
Washoe County	152,557,223	444,478	15,432,327,199	<u>343.23</u>	<u>0.99%</u>
			Average:	\$1,059.15	3.54%

<sup>1</sup> 2017 population projections from the State Department of Taxation website, *Nevada Five Year County Population Projections 2017 to 2021*, March 2017.

<sup>2</sup> Excludes redevelopment agencies; includes net proceeds of minerals.

SOURCE: Nevada Department of Taxation, *Fiscal Year 2016-2017 Property Tax Rates for Nevada Local Governments*, Nevada State Demographer website, and the counties; compiled by JNA Consulting Group, LLC

## Method of Sale

*NRS 350.013 1.(c)(5) Policy regarding the manner in which the municipality expects to sell its debt:*

Bonds can generally be sold at a competitive sale, negotiated sale or be privately placed.

Competitive Sale - Offering documents are sent to any firm interested in purchasing the bonds. A day and time are chosen for the sale and bonds are awarded to the firm offering the lowest true interest cost on the bonds (the "TIC"). The TIC is the discount rate which results in a present value of the future debt service payments equal to the amount bid for the bonds.

Negotiated Sale - One firm, or group of firms, is chosen in advance to offer the bonds for sale. At the time of sale, interest rates and other terms of the bonds are negotiated with the Underwriter.

Private Placement - A purchaser, usually an individual or bank, is identified and the bonds are placed directly. Interest rates and other terms of the bonds are negotiated with the purchaser.

NRS 350 generally requires bonds issued by the County to be sold at competitive sale. For most County general obligation bonds a competitive sale will usually result in the lowest TIC on the bonds. There are certain circumstances under which the County would consider a negotiated sale or private placements. Such circumstances include, but are not limited to:

- 1) Bonds issued with a variable rate of interest
- 2) Bonds rated below A- or not rated
- 3) Very small or very large bond issues
- 4) Unstable or highly volatile markets
- 5) Bonds with unusual security or structure

The County will follow the requirements of NRS 350.155 in choosing a method of sale for its bonds. If the County determines that a negotiated sale is warranted for a general obligation bond or a bond secured by an excise tax, it will distribute a request for proposal to underwriting firms. The selection of an underwriter(s) will be based on a determination of the firm that demonstrates its ability to obtain the overall best interest rate for the County. Consideration in making this determination will be given to the firm's experience with similar financings, proposed compensation structure, and marketing plan.

**Operational Costs of Future Capital Projects**

*NRS 350.013 1.(c)(7) A discussion of its operational costs and revenue sources, for the ensuing 5 fiscal years, associated with each project included in its plan for capital improvement submitted pursuant to paragraph (d), if those costs and revenues are expected to affect the property tax rate.*

The County has prepared a Capital Improvement Plan which will be filed with the State Department of Taxation under separate cover. The County anticipates that any financial impact on the general fund will be provided for within the maximum rate calculated by the Department of Taxation and that no tax overrides for operational costs will be required.

**Capital Improvement Plan**

*NRS 350.013 1.(d) Either:*

*(1) Its plan for capital improvement for the ensuing 5 fiscal years, which must include any contemplated issuance of general obligation debt during this period and the sources of money projected to be available to pay the debt; or*

*(2) A statement indicating that no changes are contemplated in its plan for capital improvement for the ensuing 5 fiscal years.*

The County's five-year Capital Improvement Plan is filed with the State Department of Taxation under separate cover.

**Chief Financial Officer of Douglas County**

*NRS 350.013 1.(e) A statement containing the name, title, mailing address and telephone number of the chief financial officer of the municipality.*

The chief financial officer of Douglas County is:

Vicki Moore  
Chief Financial Officer  
P.O. Box 218  
Minden, Nevada 89423  
775-782-6202  
775-782-9007 fax

### **Component Units of Douglas County**

*NRS 350.013 2. The governing body of a municipality may combine a statement or plan required by subsection 1 with the corresponding statement or plan of another municipality if both municipalities have the same governing body or the governing bodies of both municipalities agree to such a combination.*

The Douglas County Board of Commissioners also sits as the governing body for the Town of Gardnerville, Town of Minden, Town of Genoa, and the Douglas County Redevelopment Agency. Each of the towns also has an elected board of five members. These boards manage the operations of their respective towns in an advisory capacity to the Board of County Commissioners.

This section discusses the outstanding general obligation debt information for each of these entities.

Town of Minden has no debt outstanding.

Town of Genoa has no debt outstanding.

Douglas County Redevelopment Agency has no debt outstanding.

Town of Gardnerville has no general obligation debt outstanding. The Town has a promissory note outstanding in the amount of \$150,000 which is paid from the Town's general revenues.

**Town of Gardnerville**

The Town of Gardnerville (the “Town”) has no general obligation debt outstanding as of June 30, 2017. The Town has \$150,000 of debt outstanding in the form of a promissory note. The note is paid from general revenues of the Town.

**Town of Gardnerville  
Outstanding Debt  
June 30, 2017**

Issue	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Promissory Note	08/30/16	08/01/19	\$150,000	\$150,000

The following table details the payments on the promissory note.

**Town of Gardnerville  
Promissory Note Debt Service  
June 30, 2017**

Fiscal Year	Principal	Interest	Total Debt Service
2018	\$50,000	\$5,250	\$55,250
2019	50,000	3,500	53,500
2020	<u>50,000</u>	<u>1,750</u>	<u>51,750</u>
TOTAL	\$150,000	\$10,500	\$160,500

The Town of Gardnerville’s debt limit is 25% of its assessed value. Based on the 2017 assessed value, the Town’s debt limit is \$48,615,120.

**Town of Gardnerville  
General Obligation Debt Limit  
Based on Projected Fiscal Year 2017 Assessed Value**

Total Assessed Value	\$194,460,481
General Obligation Debt Limit (25%)	48,615,120
Outstanding General Obligation Debt	0
Available General Obligation Debt Limit	\$48,615,120