

Pursuant to NRS, the Nye County Debt Management Commission met in teleconference session on Wednesday, April 23, 2021, at 10:00 a.m. in the Nye County Commissioner Chambers, 101 Radar Road, Tonopah, Nevada 89049.

Cindy Kaminski, Nye County Representative  
Mark Owens, Nye County School District Representative  
Charles Lix, General Improvement District Representative  
Robin Rivero, Public-at-Large Representative  
Stacey Parmenter, Public-at-Large Representative  
Savannah Rucker, Nye County Administrative Technical Advisor  
Sandra L. Merlino, Nye County Clerk and Ex-Officio Clerk of the Board

Also Present: Tim Sutton, County Manager; Kelly Sidman, Deputy Clerk

Not Present: Sandra L. Merlino, Nye County Clerk and Ex-Officio Clerk of the Board;  
Charles Lix, General Improvement District Representative

A roll call was taken.

**1. GENERAL PUBLIC COMMENT-(Three minute time limit per person.) Action will not be taken on the matters considered during this period until specifically included on an agenda as an action item (first)**

There was none.

**2. For Possible Action – Discussion and deliberation to adopt, amend and adopt, or reject Nye County Debt Management Commission Resolution No. 2021-01, a resolution concerning the submission to the Nye County Debt Management Commission by Nye County of a proposal to execute and deliver an installment-purchase agreement in the maximum aggregate principal amount of \$7,450,000.00, concerning action taken thereon by the Commission, and approving certain details in connection therewith.**

Savannah Rucker said this was something the County had been working on for quite some time with Siemens as an effort to manage energy consumption, provide energy savings, and replace capital equipment associated with the systems.

John Peterson from JNA Consulting Group said should the Commission decide to approve this request information would be sent to the Department of Taxation (DTAX) for their approval. DTAX would review the information and if it met all the criteria they would send an approval letter to the County. There would then be an agenda item for the Board of County Commissioners to authorize the issuance. The County had \$18.8 million of outstanding obligation debt, most of which was for the County jail. The County also had approximately \$1.5 million of authorized leases, which were obligations paid from the general fund of the County. Mr. Peterson did not anticipate at this point that this proposed financing would have any impact on the County's effective tax rate, the

**2. For Possible Action – Discussion and deliberation to adopt, amend and adopt, or reject Nye County Debt Management Commission Resolution No. 2021-01-Cont'd.**

overlapping entities, or on the County's statutory debt limit. The annual debt service was estimated to be between \$150,000.00 and \$607,000.00 per year assuming a 3% interest rate, which Mr. Peterson felt was a high estimate of where the interest was expected to be. Requests for financing would be sent out and he hoped that rate came in below 3%. In addition to whatever savings was gained from a lower interest rate, it was anticipated that the County would realize utility cost savings as part of this project. The net cost to the County for this financing was roughly \$288,000.00 per year for a period not to exceed 19 years.

Mrs. Kaminski asked what the annual savings was expected to be.

Mr. Peterson stated the savings from reduced energy consumption would be anywhere between \$150,000.00 and \$319,000.00 per year.

Mrs. Kaminski asked about the necessary improvements.

Eric Thatcher from Siemens said some of the equipment would be boilers in the jail, cooling rooftop units, and things that did not have enough energy savings to pay for themselves outright.

Buildings and Grounds Director William Allen added buildings were smarter now and the HVAC operating systems were just like computers and became outdated.

Mrs. Kaminski said she understood the outdated systems, but she was concerned about whether computer operated systems would run too cold or too warm. She asked if there would be someone locally who could help the different departments with that.

Mr. Thatcher said having thermostats locked down was not part of this project. The occupants would have local control, but Mr. Allen would have the ability to see that and check if there was a problem. The buildings would be state of the art and people would have a higher level of comfort than being experienced now.

Mrs. Kaminski pointed out this was a 19-year repayment with a principal of \$7.5 million, but the savings during that time would be a little under \$4.8 million. By the time this was paid off in 19 years it would be time to update again so it was still short quite a bit of money. She knew it was said most of this money would come out of the savings, not taxpayer dollars but there was that gap.

Mr. Thatcher said when they first looked at this project the focus was on a project that would be funded 100% by energy savings. That was presented to the County and the feeling was they really wanted to include replacing obsolete equipment. Siemens went

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back to the drawing board to make sure they could do that within the guidelines of NRS and to make sure they were identifying equipment that would have the cost and would meet that term. The County also hired a third-party reviewer to look at those numbers.

Mrs. Rivero pointed out that part of Debt Management Commission's responsibilities was to make sure the impact to the taxpayers was fair and not excessive. During all of the conversations and some of the stuff she read there had always been an iffy grey zone where no one had specifically guaranteed no tax rate impact. She would like to hear those words since at no time should this impact any of the existing tax rates, but it sounded like there was an open end there that it may do so later down the road.

Mrs. Rucker explained the impact that this financing agreement would have on the County was offset by the capital investment being made in those years. There was a capital fund set up and it already had a tax rate. There was no increase to any tax rate across the board for this project and since the County was at the cap it could not be raised anyway.

Mrs. Rivero asked what would happen if the estimated savings did not hit the mark.

Mr. Thatcher said Siemens was obligated to guarantee that savings as part of the performance contract and legislation in Nevada. Included in the project was for them to come out and measure the performance. At the end of each year Siemens would collect enough information to compare to a baseline. If their projections showed the savings in 2023 should be \$185,303.00 and that was not realized then Siemens had to cut a check for the difference.

Kendra Follett, the County's bond counsel, clarified the installment purchase agreements that the County would enter into with a financial institution were separate from the guarantee from Siemens. There was no provision in the installment agreement stating if there was an issue with the Siemens contract then the County would not have to pay the financial institution.

Mrs. Rivero asked if the money Siemens paid back to the County could be diverted into the payment to the financial institution.

Mrs. Rucker said that would be her direction to the Board of County Commissioners regarding the payments from Siemens if that savings was not realized.

Mrs. Kaminski asked how many buildings this would affect in the County and if it would be all County buildings from the far north to the south.

**2. For Possible Action – Discussion and deliberation to adopt, amend and adopt, or reject Nye County Debt Management Commission Resolution No. 2021-01-Cont'd.**

Mr. Allen said all of the buildings could not be afforded. It would be the bigger buildings currently under Siemens' control already, which were both the Tonopah and Pahrump courthouses and the 250 building in Pahrump. Smart thermostats would also be placed in locations where building controls were not used to gain insight.

Mrs. Rucker said capital had been ignored for about a decade and this investment would move the County forward to allow significant improvements in infrastructure and buildings.

Mr. Owens noted the bond was calculated at 3%. He asked if the interest went up if that would affect the bond or if would it stay at 3%.

Mr. Peterson said the interest would be locked. He then asked for approval of the resolution which would allow them to take the next step in the process, which would be to send it to DTAX for their review.

Mrs. Rivero made a motion to approve this item; seconded by Mr. Owens; 4 yeas.

**3. GENERAL PUBLIC COMMENT-(Three minute time limit per person.) Action will not be taken on the matters considered during this period until specifically included on an agenda as an action item.**

There was none.

**4. Adjourn**

Mrs. Kaminski adjourned the meeting.

APPROVED this 19 day

Of AUGUST, 2021

Cindy K  
DMC Chair

ATTEST:

Yveea G. Sidman  
Nye County Clerk / Deputy