



**MINUTES IN BRIEF
CITY OF RENO
FINANCIAL
ADVISORY BOARD
January 7, 2021 3:30 PM**

Teleconference via Zoom

PRESENT: Teela McCullar, Chair
Steve Anderson
Kenneth Becker
Gosia Clark
Richard Jay
James Johns

Rachel Lemieux
Daren McDonald
Jim Proctor
Karen Vibe
Gerald Wallin

ABSENT:

1. **Call to Order** – The meeting was called to order at 3:37 pm.
2. **Public Comment (Limited to No More than Three (3) Minutes)** – Jeff Church gave public comment.
3. **Approval of the Agenda for January 7, 2021 (For Possible Action)** – It was moved by Board member Anderson and seconded by Board member Johns to approve the agenda. Motion carried.
4. **Approval of Minutes December 3, 2020 (For Possible Action)** – It was moved by Board member Becker and seconded by Board member Anderson to approve the minutes as presented for November 5, 2020. Motion carried.
5. **Comments and Announcements from Council Liaison Devon Reese (Item for general announcements and informational items only. No action will be taken on this item. Items of interest will be placed on a future agenda for possible action.)** – Councilman Reese expressed gratitude for the Board’s work. He is also interested in the Board’s view of the proposed StoneGate Special Assessment District project and associated debt.
6. **Presentation, discussion and potential direction to staff regarding FAB Work Plan:**
 - a. **Interim Financial Report/Budget Update, including quarterly augmentations and revisions, for Fiscal Year to Date 2021. (Informational item only. No action will be taken on this item. Items of interest will be placed on a future**

agenda for possible action.) – This item was discussed under agenda item 8.

- b. **Debt Update. (Informational item only. No deliberation or action will be taken on this item. Items of interest will be placed on a future agenda for potential action.)** – No update was given on this agenda item.
 - c. **Status of Proposed Collective Bargaining Contracts, including presentation of proposed collective bargaining contracts and tentative agreements for applicable bargaining units. (Informational item only. No action will be taken on this item. Items of interest will be placed on a future agenda for possible action.)** – Finance Director Deborah Lauchner stated the City is in negotiations with RAPG Pro. She also reported that updates are being given to the bargaining units monthly so everyone is apprised of the City’s financial situation.
 - d. **Update on annual risk assessments of City departments, activities and processes performed by the City’s Internal Auditor. (Informational item only. No action will be taken on this item. Items of interest will be placed on a future agenda for possible action.)** – Internal Auditor, Emily E Kidd, gave an update on active audits.
7. **Update, discussion, and possible direction to staff regarding the draft financial statements and preliminary findings related to the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020, from the City’s external audit firm of BDO USA (For Possible Action)** – Ralph Piercy from BOD USA presented the very preliminary results of the audit that is scheduled to go to Council for acceptance on January 27, 2021. There was significant more effort involved in the current year audit because of working remotely and social distancing requirements. The draft should be completely shortly. The OMB came out with audit and compliance procedures a few weeks ago for the CARES Act funds. This means the Single Audit will be filed after the financial audit.

There are no findings to share at this time. There could be some when the Single Audit is completed. The CAFR completion deadline has already been extended and is currently due at the end of January. The Single Audit has also been extended and will be filed after the CAFR.

The Board will receive an electronic copy of the CAFR when its available and will provide comments back for City Council.

8. **Update, discussion, and possible direction to staff regarding the COVID-19 pandemic, the impact of FY 2021 actuals and on the FY 2021 budget known to date, and mitigating efforts being undertaken. (For Possible Action)** – Finance Director Deborah Lauchner gave a brief update on the FY 2021 budget status. The City is currently over budget for some of the revenues that were expected to be lower due to the pandemic. The data the City is receiving indicates positive results.

9. **Presentation, discussion and possible direction to staff regarding the Nevada Cares Campus representing 5.15 acres at 1498 E. 4th Street and 9.39 acres at 1175 E. 4th Street, including the budget, funding sources, and any impact the Spaghetti Bowl Express project may have on the site. (For Possible Action)** – Acting Assistant City Manager Arlo Stockham presented the plan for the Nevada Cares Campus. The Power Point presentation is the same as presented to City Council. The presentation reviewed the current challenges of unsheltered residents. The City does not have the capacity to shelter everyone. Mr. Stockham reviewed the overall plan for the site and discussed the financing plan for construction costs.

General discussion about the Nevada Cares Campus' impact on other area projects such as NDOT and the I-80 expansion. There was also discussion over the loss of the sports fields currently located at the build site.

10. **Discussion and possible direction to staff regarding the status of the proposed Special Assessment District for the StoneGate development and any other matter related thereto. (For Possible Action)** – Finance Director Deborah Lauchner gave a brief history of the project that started in June 2018. There was a deposit and reimbursement agreement between the City and the Developer so no costs have been paid out of the City of Reno's General Fund. The original amount of the bonds was approximately \$50M, but has since been lowered based on the land's appraised value.

General discussion was had over the agreement. City Councilmember Reese wanted to receive input from the Board on the proposed bonds and had questions on potential recourse on the City if the Developer did not make the scheduled bond payments. Scott Shaver, outside legal counsel for the City of Reno, explained what would happen if the Developer or a property owner (once a commercial property or home is purchased from the developer) failed to pay the assessment. Essentially, the City will have obligation to foreclose on delinquent property and may foreclose on the entire assessment due. The City would not be liable to make delinquent payments on the bonds. Mr. Shaver also explained why the Developer would want to go through the City to access Tax Exempt bonds.

11. **Identification of items to be placed on a future agenda for discussion and/or possible action.** – Continue to bring back Agenda Item 7; proposed Senate Bill No. 73 for Parks and Recreation funding; and training by the City Attorney on Nevada's Open Meeting Law and conflicts of interest; and the Single Audit presentation.
12. **Public Comment** – Jeff Church gave public comment.
13. **Adjournment** - Board member Johns moved and Board member Wallin seconded the motion to adjourn. Motion carried. The meeting adjourned at 5:23 pm.