

**City of Carson City
Agenda Report**

Date Submitted: 1/26/10

Agenda Date Requested: 2/4/10

Time Requested: 10 minutes

To: Mayor and Supervisors

From: Nick Providenti, Finance Director

Subject Title: Action to adopt a resolution concerning the financing of sewer projects; directing the Clerk to notify the Carson City Debt Management Commission of the City's proposals to issue general obligations therefore; providing certain details in connection therewith; providing for the reimbursement of expenditures from the proceeds of bonds; and providing the effective date hereof.(Nick Providenti)

Staff Summary: Pursuant to 7.020 of the Charter, the City is authorized to borrow money for any corporate purpose and to evidence such borrowing by the issuance of bonds or other securities pursuant to the Local Government Securities Law. The Board proposes to acquire, construct, improve and equip sewer projects as defined in NRS 244A.056 (the "Sewer Project"; collectively, the "Projects").

Type of Action Requested: (check one)

Resolution

Ordinance

Formal Action/Motion

Other (Specify)

Does this action require a Business Impact Statement: () Yes (xx) No

Recommended Board Action: I move to adopt Resolution # _____, a resolution concerning the financing of sewer projects; directing the Clerk to notify the Carson City Debt Management Commission of the City's proposals to issue general obligations therefore; providing certain details in connection therewith; providing for the reimbursement of expenditures from the proceeds of bonds; and providing the effective date hereof.

Explanation for Recommended Board Action: The Board pursuant to NRS 350.020(3) (subject to the approval of the proposals to issued general obligations by the Carson City Debt Management Commission), proposed to issue general obligation sewer bonds additionally secured by a pledge of revenues of the City's sewer system of which the Sewer Project is a part (the "Sewer Pledged Revenues").

Applicable Statute, Code, Policy, Rule or Regulation: 7.020 of the Charter, NRS 350.013, NRS 350.014, NRS 350.500 through NRS 350.720, NRS 244A.027, NRS 244A.056, and NRS 350.020(3)

Fiscal Impact: Sewer Fund estimate \$

includes principle and interest.

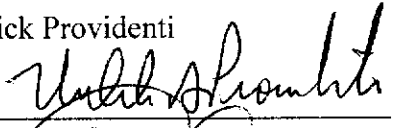
Explanation of Impact: Sewer Fund ongoing debt service payment of approximately \$ for 30 years.

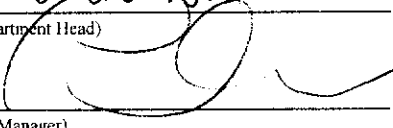
Funding Source: Sewer Fund service charges

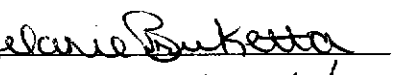
Alternatives: Not to issue debt.


Supporting Material: Resolution

Prepared By: Nick Providenti

Reviewed By:  Date: 1/26/10
(Department Head)

:  Date: 1/26/10
(City Manager)

:  Date: 1-26-10
(District Attorney)

:  Date: 1/26/10
(Finance Director)

Board Action Taken:

Motion: _____ 1) _____ Aye/Nay
2) _____ _____

(Vote Recorded By)

Summary - a resolution directing notice to the Carson City Debt Management Commission.

RESOLUTION NO. _____

A RESOLUTION CONCERNING THE FINANCING OF SEWER PROJECTS; DIRECTING THE CLERK TO NOTIFY THE CARSON CITY DEBT MANAGEMENT COMMISSION OF THE CITY'S PROPOSAL TO ISSUE GENERAL OBLIGATIONS ADDITIONALLY SECURED BY PLEDGED SEWER REVENUES; PROVIDING CERTAIN DETAILS IN CONNECTION THEREWITH; PROVIDING FOR THE REIMBURSEMENT OF EXPENDITURES FROM THE PROCEEDS OF BONDS; AND PROVIDING THE EFFECTIVE DATE HEREOF.

WHEREAS, Carson City, in the State of Nevada (the "City" and "State," respectively), is organized and operating pursuant to the provisions of Chapter 276, Statutes of Nevada 1971 (the "Charter") and the general laws of the State; and

WHEREAS, pursuant to Section 7.020 of the Charter (the "Project Act"), the City is authorized to borrow money for any corporate purpose and to evidence such borrowing by the issuance of bonds or other securities pursuant to the Local Government Securities Law (being cited as Nevada Revised Statutes ("NRS") 350.500 through 350.720 (the "Bond Act")); and

WHEREAS, the Board of Supervisors (the "Board") proposes to acquire, construct, improve and equip sewerage projects as defined in NRS 244A.0505 (the "Project"); and

WHEREAS, the Board pursuant to NRS 350.020(3) (subject to the approval of the proposal to issue general obligations by the Carson City Debt Management Commission), proposes to issue general obligation sewer bonds additionally secured by a pledge of the revenues of the City's sewer system of which the Project is a part (the "Sewer Pledged Revenues"); and

WHEREAS, based on a study presented to the Board, which is attached hereto as Exhibit "B," the Board hereby determines that the Sewer Pledged Revenues will at least equal the amount required in each year for the payment of interest and principal on such general obligation sewer bonds and that no increase in the rate of an ad valorem tax is anticipated to be necessary for the payment of such general obligation sewer bonds for the term thereof (the "Finding"); and

WHEREAS, the Board proposes to incur these general obligations without an election unless a petition signed by the requisite number of registered voters of the City representing the requisite assessed value of the taxable property of the City is presented to the Board requiring the Board to submit to the qualified electors of the City for their approval or disapproval, the following proposal:

GENERAL OBLIGATION SEWER BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) PROPOSAL:

Shall the Board of Supervisors of Carson City, Nevada, be authorized to incur a general obligation indebtedness (additionally secured by pledged revenues) on behalf of the City by the issuance at one time, or from time to time, of the City's general obligation sewer bonds, in one series or more, in the aggregate principal amount of not exceeding \$4,000,000 for the purpose of acquiring, constructing, improving and equipping City sewerage projects as defined in NRS 244A.0505, such bonds to mature not later than thirty (30) years from the date or respective dates of the bonds, payable from general (ad valorem) taxes (except to the extent pledged revenues and other monies are available therefor), and to be issued and sold at, above, or below par at an effective interest rate (including any sale discount) not exceeding the statutory maximum rate, if any, as shall be determined at the time of the sale thereof, and otherwise to be issued in such manner, upon such terms and conditions, with such covenants and agreements, and with such other detail as the Board may determine, including at its option but not necessarily limited to provisions for the redemption of bonds prior to maturity without or with the payment of a premium?

(the "Proposal"); and

WHEREAS, subsection 1 of NRS 350.014 provides, in relevant part, as follows:

"1. Before any proposal to incur a general obligation debt or levy a special elective tax may be submitted to the electors of a municipality. . . , or before any other formal action may be taken preliminary to the issuance of any general obligation debt, the proposed incurrence or levy must receive the favorable vote of two-

thirds of the members of the commission of each county in which the municipality is situated"

and

WHEREAS, subsection 1 of NRS 350.0145 provides, in relevant part, as follows:

"1. The governing body of the municipality proposing to incur general obligation debt . . . shall notify the secretary of each appropriate commission, and shall submit a statement of its proposal in sufficient number of copies for each member of the commission. . ."

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF CARSON CITY, NEVADA:

Section 1. All action, proceedings, matters and things heretofore taken, had and done by the Board, and the officers thereof (not inconsistent with the provisions of this resolution) directed toward the Finding, the Proposal and the Project and the financing thereof be, and the same hereby is, ratified, approved and confirmed.

Section 2. The City Clerk be, and he hereby is, authorized and directed to notify the Secretary of the Carson City Debt Management Commission of the City's Proposal, and to submit to said Secretary a statement of the Proposal and Finding in sufficient number of copies for each member of the Commission. The City Finance Director or his designee is authorized to file any of the information required by NRS 350.013 to the extent required to comply with NRS 350.013.

Section 3. In order to permit the City to reimburse itself for prior expenditures relating to the Project with the proceeds of the general obligation sewer bonds, the Board hereby determines and declares as follows:

(a) The City reasonably expects to incur expenditures with respect to the Project prior to the issuance of bonds for financing the Project and to reimburse those expenditures from the issuance of bonds; and

(b) The maximum principal amount of general obligation sewer bonds expected to be issued to reimburse such expenditures is \$4,000,000.

Section 4. All resolutions, or parts thereof, in conflict with the provisions of this resolution, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any resolution, or part thereof, heretofore repealed.

Section 5. If any section, paragraph, clause or other provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or other provision shall not affect any of the remaining provisions of this resolution.

Section 6. This resolution shall become effective and be in force immediately upon its adoption.

Passed and adopted this February 4, 2010.

(SEAL)

Mayor

Attest:

City Clerk

STATE OF NEVADA)
) ss.
CARSON CITY)

I, Alan Glover, the duly chosen, qualified and acting Clerk of Carson City (the "City"), in the State of Nevada, do hereby certify:

1. The foregoing pages constitute a true, correct, complete and compared copy of a resolution of the Board of Supervisors (the "Board") adopted at a meeting of the Board held on February 4, 2010.

2. The members of the Board voted on the resolution as follows:

Those Voting Aye:

Shelly Aldean
Bob Crowell
Pete Livermore
Molly Walt
Robin Williamson

Those Voting Nay:

Those Absent:

3. The original of the resolution has been approved and authenticated by the signatures of the Mayor of the City and myself as City Clerk and has been recorded in the minute book of the Board kept for that purpose in my office, which record has been duly signed by the officers and properly sealed.

4. All members of the Board were given due and proper notice of such meeting. Public notice of such meeting was given and such meeting was held and conducted in full compliance with the provisions of NRS 241.020. A copy of the notice of meeting and excerpts from the agenda for the meeting relating to the resolution, as posted no later than 9:00 a.m. on the third working day prior to the meeting on the City's website and at:

- (i) Community Center
851 East William
Carson City, Nevada

- (ii) Carson City Courthouse
885 East Musser
Carson City, Nevada
- (iii) Carson City Administration Building
201 North Carson Street
Carson City, Nevada
- (iv) Bulletin Board at the
Carson City Library
900 North Roop Street
Carson City, Nevada

is attached as Exhibit "A."

5. At least 3 working days before such meeting, such notice was delivered to each member of the Board and to each person, if any, who has requested notice of meetings of the Board in accordance with the provisions of Chapter 241 of NRS.

6. The revenue study referred to in the attached resolution is attached as Exhibit "B."

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City this February 4, 2010.

(SEAL)

City Clerk

EXHIBIT "A"

(Attach Copy of Notice of Meeting)

EXHIBIT "B"

(Attach Revenue Study)

Carson City, NV
General Obligation (Limited Tax) Sewer Bonds, Series 2010
Debt Service Coverage Analysis

Year Ending June 30	Sewer System Net Revenues 1/	Existing Bonds Debt Service	Principal	Proposed Bonds Interest 2/	Total	Total Debt Service	Coverage
2009	1,820,713	1,952,309	0	0	0	1,952,309	0.933
2010	1,878,868	1,955,100	0	0	0	1,955,100	0.961
2011	2,635,715	1,968,229	155,000	150,000	305,000	2,273,229	1.159
2012	2,520,393	1,958,540	130,000	173,025	303,025	2,261,565	1.114
2013	2,520,393	1,964,053	140,000	167,175	307,175	2,271,228	1.110
2014	2,520,393	1,964,794	145,000	160,875	305,875	2,270,669	1.110
2015	2,520,393	1,663,441	150,000	154,350	304,350	1,967,791	1.281
2016	2,520,393	1,502,961	160,000	147,600	307,600	1,810,561	1.392
2017	2,520,393	1,068,223	165,000	140,400	305,400	1,373,623	1.835
2018	2,520,393	756,669	170,000	132,975	302,975	1,059,644	2.379
2019	2,520,393	304,128	180,000	125,325	305,325	609,453	4.135
2020	2,520,393	303,475	190,000	117,225	307,225	610,700	4.127
2021	2,520,393	306,788	195,000	108,675	303,675	610,463	4.129
2022	2,520,393	304,200	205,000	99,900	304,900	609,100	4.138
2023	2,520,393	306,019	215,000	90,675	305,675	611,694	4.120
2024	2,520,393	307,125	225,000	81,000	306,000	613,125	4.111
2025	2,520,393		235,000	70,875	305,875	305,875	8.240
2026	2,520,393		245,000	60,300	305,300	305,300	8.255
2027	2,520,393		255,000	49,275	304,275	304,275	8.283
2028	2,520,393		270,000	37,800	307,800	307,800	8.188
2029	2,520,393		280,000	25,650	305,650	305,650	8.246
2030	2,520,393		290,000	13,050	303,050	303,050	8.317
		18,586,053	4,000,000	2,106,150	6,106,150	24,692,203	

1/ Includes rate increases to be implemented in the future.

2/ Interest rate estimated at 4.500%.