

**Carson City
Request for Board Action**

Date Submitted: 01/29/13

Agenda Date Requested: 02/07/13

Time Requested: 10 minutes

To: Mayor and Supervisors

From: Nick Providenti, Finance Director

Subject Title: For Possible Action: to adopt a Resolution concerning the financing of a building project; directing the Clerk to notify the Carson City Debt Management Commission of the City's proposal to issue an Installment Purchase Agreement for that purpose; providing certain details in connection therewith; and providing the effective date hereof. (Nick Providenti)

Staff Summary: The Board of Supervisors of Carson City, Nevada proposes to enter into an installment-purchase agreement in the aggregate amount of \$1,250,000 in order to finance all or a portion of the cost to acquire, improve and equip a building project as defined in NRS 244A.019. The resolution is hereby designated by the short title the "2013 Installment-Purchase DMC Notice Resolution". This Resolution requests that the Clerk notify the Carson City Debt Management Commission of the City's proposal to issue an Installment Purchase Agreement as NRS 350.014 requires a favorable vote of two-thirds of the members before the City can enter into such an agreement.

Type of Action Requested: (check one)

Resolution

Ordinance

Formal Action/Motion

Other (Specify)

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

Recommended Board Action: I move to adopt Resolution # _____, a Resolution concerning the financing of a building project; directing the Clerk to notify the Carson City Debt Management Commission of the City's proposal to issue an Installment Purchase Agreement for that purpose; providing certain details in connection therewith; and providing the effective date hereof.

Explanation of Recommended Board Action: See Staff Summary.

Applicable Statute, Code, Policy, Rule or Regulation: NRS 350, NRS 244A.

Fiscal Impact: Estimated to be annual amounts of \$76,800 to \$81,700 in the general fund and \$22,800 to \$24,250 in the Building Permits fund for a period of not more than 16 years.

Explanation of Impact: As described.

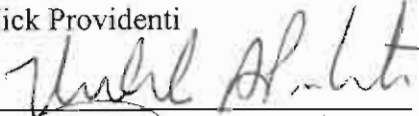
Funding Source: General Fund and Building Permits Fund. It is anticipated that the Redevelopment Authority will make a transfer to the General Fund in the approximate amount of \$50,000 per year to pay for its share assuming the amount is appropriated by the Redevelopment Authority.

Alternatives: Elect to not pursue the financing and not purchase the BRIC.

Supporting Material: Resolution

Prepared By: Nick Providenti

Reviewed By:


(Department Head)

Date:

1/29/13


:


(City Manager)

Date:

1/29/13

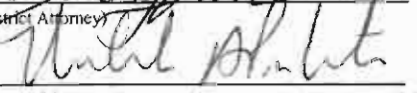
:


(District Attorney)

Date:

1/29/13

:


(Finance Director)

Date:

1/29/13

Board Action Taken:

Motion: _____

1) _____

Aye/Nay

2) _____

(Vote Recorded By)

RESOLUTION NO. ____

A RESOLUTION CONCERNING THE FINANCING OF A BUILDING PROJECT; DIRECTING THE CLERK TO NOTIFY THE CARSON CITY DEBT MANAGEMENT COMMISSION OF THE CITY'S PROPOSAL TO ISSUE AN INSTALLMENT PURCHASE AGREEMENT FOR THAT PURPOSE; PROVIDING CERTAIN DETAILS IN CONNECTION THEREWITH; AND PROVIDING THE EFFECTIVE DATE HEREOF.

WHEREAS, Carson City (the "City"), in the State of Nevada (the "State"), 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, the Board of Supervisors (the "Board") proposes to enter into an installment-purchase agreement (the "Obligation") in the aggregate amount of \$1,250,000 under NRS 350.087 to 350.095, inclusive, in order to finance all or a portion of the cost to acquire, improve and equip a building project as defined in NRS 244A.019 in the City (the "Project"); and

WHEREAS, the Board has determined that legally available funds of the City will at least equal the amount required in each year for the payment of interest and principal on such installment-purchase agreement; and

WHEREAS, the City desires to acquire, construct, equip and improve the Project; and

WHEREAS, the Board proposes to enter into the Obligation with a term of more than 10 years, requiring the Board, pursuant to NRS 350.014, to submit to the Carson City Debt Management Commission (the "Commission") for its approval or disapproval the following proposal:

INSTALLMENT-PURCHASE AGREEMENT PROPOSAL:
Shall the Board of Supervisors of Carson City in the State of Nevada, be authorized to issue an installment-purchase agreement of the City in an aggregate principal amount not to exceed \$1,250,000 for the purpose of financing, wholly or in part, the cost to acquire, improve and equip a building project as defined in NRS 244A.019 in the City, which installment-purchase agreement shall mature not later than 16 years from its date, to bear interest at a rate or rates not in excess of the

statutory maximum rate in effect at the time the installment-purchase agreement is entered into, the installment-purchase agreement by its terms to be extinguished by failure of the Board to appropriate money for the ensuing fiscal year for payment of the amounts then due, to be payable from legally available funds of the City, to be secured by a security interest in property of the City as provided in NRS 350.800, and to be entered into upon such terms and conditions, and with such other details as the Board may determine?

(the "Proposal"); and

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

"1. Before entering into an installment-purchase agreement with a term of more than 10 years, the proposed incurrence . . . must receive the favorable vote of two-thirds of the members of the [debt management] 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 enter into an installment-purchase agreement with a term of more than 10 years. . . 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. This resolution shall be known and may be cited as the "2013 Installment Purchase DMC Notice Resolution".

Section 2. The Board hereby requests that the Commission consider and approve the Proposal.

Section 3. 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 Project and the financing thereof be, and the same hereby is, ratified, approved and confirmed.

Section 4. The City Clerk is authorized and directed to notify the Secretary of the Commission of the City's Proposal, and to submit to said Secretary a statement of the Proposal in sufficient number of copies for each member of the Commission.

Section 5. The City Finance Director is authorized to amend the statements of current and contemplated debt, the debt management policy and the capital improvement plan of the City in accordance with the provisions of this resolution and NRS 350.013, and file the statement, policy and plan with the State of Nevada Department of Taxation and the Commission.

Section 6. In order to permit the City to reimburse itself for prior expenditures relating to the Project with the proceeds of the Obligation, the Board hereby determines and declares as follows:

(i) The City reasonably expects to incur expenditures with respect to the Project prior to the issuance of the Obligation and to reimburse those expenditures from the issuance of the Obligation; and

(ii) The maximum principal amount of the Obligation expected to be issued to reimburse such expenditures is \$1,250,000.

Section 7. 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 constructed to revive any resolution, or part thereof, heretofore repealed.

Section 8. 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 9. This resolution shall become effective and be in force immediately upon its adoption.

Passed and adopted this February 7, 2013.

(SEAL)

Mayor
Carson City, Nevada

Attest:

City Clerk

STATE OF NEVADA)
) ss.
CITY OF CARSON CITY)

I am the duly chosen and qualified City Clerk of Carson City (herein "City"), Nevada, and in the performance of my duties as Clerk do hereby certify:

1. The foregoing pages constitute a true, correct and compared copy of a resolution adopted at a regular meeting of the Board of Supervisors held on February 7, 2013. The original of such resolution has been approved and authenticated by the signature of the Mayor of the City and myself as 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 such officers and properly sealed.

2. The members of the Board were present at the meeting on February 7, 2013 and voted on the resolution as follows:

Those Voting Aye:

Robert L. Crowell
Karen Abowd
Shelly Aldean
John McKenna
Molly Walt

Those Voting Nay:

Those Abstaining:

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 held on February 7, 2013.

5. 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 meetings relating to the resolution, as posted at least 3 working days in advance of the meetings at the City's website and at the:

- (i) Community Center
851 East William Street
Carson City, Nevada
- (ii) Public Safety Complex
885 East Musser Street
Carson City, Nevada
- (iii) City Hall
201 North Carson
Carson City, Nevada
- (iv) Carson City Library
900 North Roop Street
Carson City, Nevada

are attached as Exhibit A hereto.

5. Prior to 9:00 a.m. at least 3 working days before such meeting, such notice was given to each person, if any, who has requested notice of the meetings of the Board in compliance with NRS 241.020(3)(b) by United States Mail, or if feasible and agreed to by the requestor, by electronic mail.

IN WITNESS WHEREOF, I have hereunto set my hand this February 7, 2013.

City Clerk

EXHIBIT A

(Attach Copy of Notice of Meeting)