

Item # 8A

**City of Carson City
Agenda Report**

Date Submitted: 2/23/10

Agenda Date Requested: 3/4/10

Time Requested: 10 minutes

To: Mayor and Supervisors

From: Nick Providenti, Finance Director

Subject Title: Action to adopt a resolution of intent, proposing the issuance of, and authorizing the publication of notices relating to, general obligation (limited tax) bonds (additionally secured by pledged revenues) for the purpose of financing water projects for the City; providing the manner, form and contents of the notice; authorizing the City Manager or City Finance Director to arrange for the sale of the bonds; providing other matters properly related thereto; and providing the effective date hereof. (Nick Providenti)

Staff Summary: Pursuant to 7.030 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 water projects as defined in NRS 244A.056 (the "Water 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 of intent, proposing the issuance of, and authorizing the publication of notices relating to, general obligation (limited tax) bonds (additionally secured by pledged revenues) for the purpose of financing water projects for the City; providing the manner, form and contents of the notice; authorizing the City Manager or City Finance Director to arrange for the sale of the bonds; providing other matters properly related thereto; 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 water bonds additionally secured by a pledge of revenues of the City's water system of which the Water Project is a part (the "Water Pledged Revenues").

Applicable Statute, Code, Policy, Rule or Regulation: 7.030 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: Water Fund estimate \$60,402,239 includes principle and interest.

Explanation of Impact: Water Fund ongoing debt service payment of approximately \$2,015,000 for 30 years.

Funding Source: Water Fund service charges

Alternatives: Not to issue debt.

Supporting Material: Resolution

Prepared By: Nick Providenti

Reviewed By:

(Department Head)

Date:

2/23/10

:

(City Manager)

Date:

2/23/10

:

(District Attorney)

Date:

2-23-10

:

(Finance Director)

Date:

2/23/10

Board Action Taken:

Motion: _____

1)

2)

Aye/Nay

(Vote Recorded By)

Summary - a resolution of intent to issue general obligation (limited tax) bonds (additionally secured by pledged revenues).

RESOLUTION NO. _____

A RESOLUTION OF INTENT, PROPOSING THE ISSUANCE OF, AND AUTHORIZING THE PUBLICATION OF NOTICES RELATING TO GENERAL OBLIGATION (LIMITED TAX) BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) FOR THE PURPOSE OF FINANCING WATER PROJECTS FOR THE CITY; PROVIDING THE MANNER, FORM AND CONTENTS OF THE NOTICES; AUTHORIZING THE CITY MANAGER OR CITY FINANCE DIRECTOR TO ARRANGE FOR THE SALE OF THE BONDS; PROVIDING OTHER MATTERS PROPERLY RELATED THERETO; AND PROVIDING THE EFFECTIVE DATE HEREOF.

WHEREAS, the Board of Supervisors ("Board") of Carson City (the "City"), Nevada proposes to issue up to \$32,000,000 of general obligation water bonds (additionally secured by pledged water revenues) (respectively, the "Pledged Revenues and the "Bonds"); 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 who together with any corporate petitioners represent 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 WATER 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 water bonds, in one series or more, in the aggregate principal amount of not exceeding \$32,000,000 for the purpose of acquiring, constructing, improving and equipping City water projects as defined in NRS 244A.056, 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, pursuant to Nevada Revised Statutes ("NRS") 350.011 to 350.0165, inclusive, the Board has submitted the Proposal to the Debt Management Commission of Carson City (the "Commission");

WHEREAS, the Commission has heretofore approved the Proposal; and

WHEREAS, the Board has determined that the Pledged Revenues will at least equal the amount required in each year for the payment of interest and principal on the Bonds; and

WHEREAS, subsection 3 of NRS 350.020 in effect provides that if the payment of a general obligation of the City is additionally secured by a pledge of the revenues of a project to be financed by its issue, and the governing body (i.e., the Board) determines that the pledged revenues will at least equal the amount required in each year for the payment of interest and principal, the City may incur the general obligation without an election, unless a petition requesting an election signed by 5% of the registered voters of the City is presented to the Board within 90 days after the publication of a notice of the adoption of this resolution of intent; and

WHEREAS, subsection 3 of NRS 350.020 also requires that a public hearing be held before the Bonds are issued; and

WHEREAS, the City is authorized pursuant to the Local Government Securities Act, NRS 350.500 to 350.720, inclusive (the "Bond Act") to issue bonds to refund outstanding bonds for the purpose of effecting interest rate savings and other economies (the "Refunding Project").

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

Section 1. This resolution shall be known as and may be cited by the short title "2010 Resolution of Intent to Issue Water Bonds" (this "Resolution").

NOTICE OF THE INTENT OF THE BOARD OF SUPERVISORS OF CARSON CITY, NEVADA, TO ISSUE GENERAL OBLIGATION (LIMITED TAX) BONDS OF THE CITY ADDITIONALLY SECURED BY PLEDGED REVENUES

NOTICE IS HEREBY GIVEN that the Board of Supervisors of Carson City (the "Board" and the "City") Nevada, by a resolution, passed, adopted and approved on March 4, 2010, and designated in Section 1 thereof by the short title "2010 Resolution of Intent to Issue Water Bonds" has proposed the issuance of the City's general obligation (limited tax) bonds (additionally secured by pledged revenues) (the "Bonds") designated below, as follows:

GENERAL OBLIGATION WATER 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 water bonds, in one series or more, in the aggregate principal amount of not exceeding \$32,000,000 for the purpose of acquiring, constructing, improving and equipping City water projects as defined in NRS 244A.056, 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

The above Proposal was approved by the Debt Management Commission of Carson City, Nevada.

The Board has determined that the Bonds to be issued for the purpose of financing projects for the City (as further described in the above Proposal) will be additionally secured by a

pledge of the "pledged revenues". The Board has, in addition, determined, based upon a revenue study, that the pledged revenues will at least equal the amount required in each year for the payment of the interest on and the principal of the Bonds.

Based upon this determination, the Board intends to incur this general obligation as set forth above without an election as provided in subsection 3 of Nevada Revised Statutes ("NRS") 350.020, unless within ninety (90) days after the publication of this notice a petition requesting an election is presented to the Board signed by not fewer than five percent (5%) of the registered voters of the City. The number of registered voters is to be determined as of the close of registration for the last preceding general election.

At a meeting or meetings of the Board, the Board shall proceed to adopt an ordinance or ordinances authorizing the issuance of the Bonds. Such ordinance or ordinances authorizing the issuance of the Bonds will be effective unless prior to 5:00 p.m. on June 9, 2010, a petition is presented to the Board asking for an election upon the question of whether or not the proposed general obligations shall be incurred. The petition for an election herein referred to may be presented to the Board at any time prior to the expiration of ninety (90) days after the publication of this notice. In the event such petition is presented, no such ordinance or ordinances shall be effective except pursuant to an election called and held for such purpose and carried by a majority of the votes cast. In the event no such petition is presented, the Bonds will be authorized as described above. The ordinance or ordinances authorizing the Bonds will, in addition, contain provisions for additionally securing the payment of the general obligations by pledging the pledged revenues designated above and in the Proposal to the payment of the Bonds.

The authority to issue the Bonds if conferred at an election or if conferred by the fact no petition is presented to the Board requesting such an election within ninety (90) days of the date of publication hereof shall be deemed to be a continuing authority and the Board shall be authorized to sell the Bonds at such time or times and upon such terms and conditions as it deems proper in accordance with the provisions of the Proposal and the laws of the State of Nevada.

All persons interested are hereby advised that further information regarding the projects to be financed by the Bonds, the Bonds and the revenues to be pledged to the Bonds, and all proceedings in the premises, are on file in the office of the City Clerk, 2621 Northgate Lane, No. 56, Carson City, Nevada, and can be seen and examined by the interested persons during the regular office hours of the Clerk.

The determination by the Board that the pledged revenues will at least equal the amount required in each year for the payment of interest and principal on the Bonds becomes conclusive on the last day for filing the petition, i.e., on June 9, 2010, at 5:00 p.m.

(Form of Notice of Public Hearing)

**NOTICE OF PUBLIC HEARING ON THE INTENT OF
CARSON CITY, NEVADA, TO ISSUE GENERAL
OBLIGATION (LIMITED TAX) BONDS (ADDITIONALLY
SECURED BY PLEDGED REVENUES).**

NOTICE IS HEREBY GIVEN that the Board of Supervisors (the "Board") of Carson City (the "City"), Nevada, by a resolution, passed, adopted, signed and approved on March 4, 2010, and designated in Section 1 thereof by the short title "2010 Resolution of Intent to Issue Water Bonds" has proposed the issuance of the City's general obligation (limited tax) bonds (additionally secured by pledged revenues) (the "Bonds") designated below, as follows:

**GENERAL OBLIGATION WATER 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 water bonds, in one series or more, in the aggregate principal amount of not exceeding \$32,000,000 for the purpose of acquiring, constructing, improving and equipping City water projects as defined in NRS 244A.056, 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

The above Proposal were previously approved by the Debt Management Commission of Carson City, Nevada.

The City has determined that the Bonds to be issued for the purpose of financing projects as further described in the above Proposal, will be additionally secured by a pledge of

revenues as described in the Proposal (the "Pledged Revenues"). The City has, in addition, determined that the Pledged Revenues will at least equal the amount required in each year for the payment of the interest on and the principal of the Bonds.

All persons interested are hereby advised that the Board will hold a public hearing on the Proposal on April 1, 2010 at 8:30 a.m. at the Community Center, 851 East William, Carson City, Nevada. All persons are invited to attend and to be heard regarding the Proposal. Further information regarding the Proposal, the Projects to be financed by the Bonds, the Bonds and the revenues to be pledged to the Bonds, and all proceedings, are on file in the Office of the City Clerk, 2621 Northgate Lane, No. 56, Carson City, Nevada, and can be seen and examined by the interested persons during the regular office hours of the City.

BY ORDER of the Board of Supervisors, Carson City, Nevada.

DATED this March 4, 2010.

PUBLICATION DATE: March 11, 2010.

/s/ Alan Glover
City Clerk
Carson City, Nevada

(End of Form of Notice of Public Hearing)

Section 4. A public hearing on the Bonds is hereby ordered to be held before the Board at the time, date and place specified in the Notice set forth in Section 3 hereof, or at such date as designated by the City Manager or City Finance Director.

Section 5. The Bonds, in the event no petition is filed during the period allowed by NRS 350.020(3), shall be authorized by an ordinance or ordinances to be effective after the expiration of the 90-day petition period.

Section 6. The authority to issue the Bonds designated in the Proposal set forth in the notice shall be deemed and considered a continuing authority to issue and deliver the Bonds designated in such Proposal at one time or from time to time, in one series or in more than one series, all as ordered by the Board. Neither the partial exercise of the authority so conferred nor the lapse of time shall be considered as exhausting or limiting the full authority so conferred.

Section 7. The City Manager or City Finance Director or a designee is hereby authorized to arrange for the issuance and sale of the Bonds in the aggregate principal amount of not more than \$32,000,000 (the "Bonds") and if interest savings can be effected, an amount sufficient to issue refunding bonds for the Refunding Project (the "Refunding Bonds"), in accordance with the City's debt management policy, the Project Act and the Bond Act.

Section 8. The City Manager or the City Finance Director shall, after arranging for the sale of the Bonds and, if applicable, the Refunding Bonds, present the terms of the Bonds and the Refunding Bonds to the Board for its approval by adoption of the Ordinances.

Section 9. The officers of the City be, and they hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution, including without limitation, assembling of financial and other information concerning the City, the Pledged Revenues and the Bonds, and circulating a preliminary official statement, a notice of bond sale for the Bonds, or both, in the forms specified by the City Manager, or his designee. The City Manager or his designee is authorized to deem the preliminary official statement to be a "final" official statement on behalf of the City for the purposes of Rule 15(c)212 of the Securities and Exchange Commission.

Section 10. 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.

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 passed and adopted by the Board of Supervisors of the City (the "Board") at a meeting of the Board held on March 4, 2010, a copy of which is set forth therein.

2. 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 journal of the Board kept for that purpose in my office, which record has been duly signed by the officers and properly sealed.

3. The members of the Board voted on the passage of the resolution as set forth below:

Those Voting Aye:	Shelly Aldean
	Bob Crowell
	Pete Livermore
	Molly Walt
	Robin Williamson

Those Voting Nay:

Those Absent:

4. All members of the Board were given due and proper notice of such meeting. Pursuant to NRS § 241.020, Nevada Revised Statutes, written notice of the meeting including the time, place, location, and agenda of the meeting was given:

(a) By mailing a copy of the notice to each member of the Board;

(b) By posting a copy of the notice on the City's website, at the principal office of the Board, or if there is not principal office, at the building in which the meeting is to be held, and at least three

other separate, prominent places within the jurisdiction of the Board,
to-wit:

- (i) Community Center
851 East William
Carson City, Nevada
- (ii) Executive Offices
201 N. Carson
Carson City, Nevada
- (iii) Bulletin Board at
Carson City Courthouse
885 East Musser
Carson City, Nevada
- (iv) Carson City Library
900 North Roop Street
Carson City, Nevada

and

(c) By mailing a copy of the notice to each person, if any,
who has requested notice of the meetings of the Board in the same
manner in which notice is required to be mailed to a member of the
Board.

5. A copy of such notice as posted and mailed is attached hereto as Exhibit A. A
copy of an affidavit of publication of the notice of resolution of intent is attached hereto as Exhibit B,
and a copy of an affidavit of publication of the notice of public hearing is attached hereto as Exhibit
C.

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

Clerk

(SEAL)

The following table provides the debt service requirements of the City's Outstanding Bonds secured by the Pledged Revenues and the pro forma debt service requirements of the Proposed Bonds. The Proposed Bonds will be issued on a parity lien to the Outstanding Bonds.

OUTSTANDING AND PRO FORMA DEBT SERVICE REQUIREMENTS
as of January 1, 2010

Fiscal Year Ending June 30	Outstanding Bonds			Proposed Bonds			Grand Total
	Principal	Interest	Subtotal	Principal	Interest ¹	Subtotal	
2010 ²	\$362,500	\$647,387	\$1,009,887	\$0	\$0	\$0	\$1,009,887
2011	1,591,892	1,258,611	2,850,503	535,000	1,480,000	2,015,000	4,865,503
2012	1,743,784	1,196,736	2,940,520	562,486	1,453,250	2,015,736	4,956,256
2013	1,823,784	1,127,830	2,951,614	585,512	1,425,711	2,011,223	4,962,837
2014	1,718,784	1,056,719	2,775,503	613,083	1,401,389	2,014,472	4,789,975
2015	1,812,084	988,108	2,800,192	635,884	1,375,838	2,011,722	4,811,914
2016	1,839,884	913,980	2,753,864	663,921	1,349,302	2,013,223	4,767,087
2017	1,811,984	843,775	2,655,759	692,200	1,321,523	2,013,723	4,669,482
2018	1,767,184	778,548	2,545,732	720,730	1,292,493	2,013,223	4,558,955
2019	1,835,184	710,855	2,546,039	749,516	1,262,206	2,011,722	4,557,761
2020	1,907,584	639,837	2,547,421	783,569	1,230,653	2,014,222	4,561,643
2021	1,983,084	564,999	2,548,083	817,896	1,197,577	2,015,473	4,563,556
2022	2,064,784	486,368	2,551,152	852,504	1,162,968	2,015,472	4,566,624
2023	2,149,384	404,181	2,553,565	887,403	1,126,819	2,014,222	4,567,787
2024	2,237,484	317,550	2,555,034	922,601	1,089,121	2,011,722	4,566,756
2025	2,169,584	234,803	2,404,387	963,108	1,049,865	2,012,973	4,417,360
2026	2,029,583	143,914	2,173,497	1,003,931	1,008,791	2,012,722	4,186,219
2027	2,110,483	62,939	2,173,422	1,045,082	965,890	2,010,972	4,184,394
2028	183,783	0	183,783	1,091,571	921,152	2,012,723	2,196,506
2029	183,783	0	183,783	1,138,405	874,317	2,012,722	2,196,505
2030	0	0	0	1,185,598	825,374	2,010,972	2,010,972
2031	0	0	0	1,235,000	777,500	2,012,500	2,012,500
2032	0	0	0	1,300,000	715,750	2,015,750	2,015,750
2033	0	0	0	1,365,000	650,750	2,015,750	2,015,750
2034	0	0	0	1,430,000	582,500	2,012,500	2,012,500
2035	0	0	0	1,500,000	511,000	2,011,000	2,011,000
2036	0	0	0	1,580,000	436,000	2,016,000	2,016,000
2037	0	0	0	1,655,000	357,000	2,012,000	2,012,000
2038	0	0	0	1,740,000	274,250	2,014,250	2,014,250
2039	0	0	0	1,825,000	187,250	2,012,250	2,012,250
2040	0	0	0	1,920,000	96,000	2,016,000	2,016,000
TOTAL	\$33,326,600	\$12,377,140	\$45,703,740	\$32,000,000	\$28,402,239	\$60,402,239	\$106,105,979

¹ Interest estimated at 4.76%. It is anticipated that the Proposed Bonds will be financed through the State Revolving Fund at a subsidized interest rate and a public bond offering.

² Represents partial year of debt service.

SOURCE: The City, compiled by JNA Consulting Group, LLC