

**Carson City
Agenda Report**

Date Submitted: 7/26/11

Agenda Date Requested: 8/4/11

Time Requested: 10 minutes

To: Mayor and Supervisors

From: Nick Providenti, Finance Director

Subject Title: For Possible Action: Action to adopt a resolution concerning the financing of water projects and 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; 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 water projects as defined in NRS 244A.056 (the "Water Project") and to acquire, construct, improve and equip sewerage projects as defined in NRS 244A.0505 (the "Sewer Project").

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 water projects and 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; 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") and general obligation sewer bonds additionally secured by a pledge of the 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: Water Fund estimate \$5,619,236 includes principle and interest. Sewer Fund estimate \$3,372,985 includes principle and interest.

Explanation of Impact: Water Fund ongoing debt service payment of approximately \$280,000 per year and Sewer Fund ongoing debt service payment of approximately \$165,000 per year for 20 years.

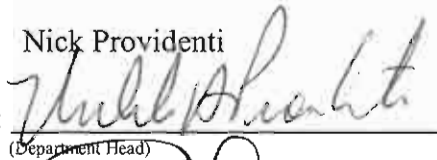
Funding Source: Water and Sewer Fund service charges

Alternatives: Not to issue debt.

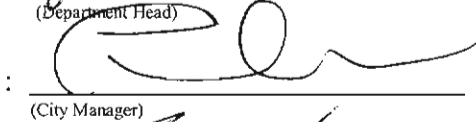
Supporting Material: Resolution

Prepared By: Nick Providenti

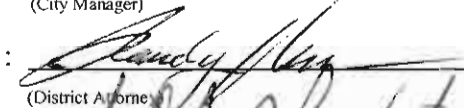
Reviewed By:


(Department Head)

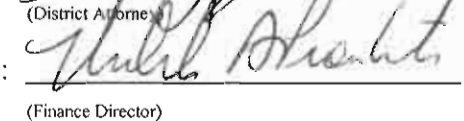
Date: 7/26/11

: 
(City Manager)

Date: 7/26/11

: 
(District Attorney)

Date: 7/26/11

: 
(Finance Director)

Date: 7/26/11

Board Action Taken:

Motion: _____

- 1) _____
- 2) _____

Aye/Nay

(Vote Recorded By)

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

RESOLUTION NO. _____

A RESOLUTION CONCERNING THE FINANCING OF WATER PROJECTS AND 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; 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 water projects as defined in NRS 244A.056 (the "Water Project") and to acquire, construct, improve and equip sewerage projects as defined in NRS 244A.0505 (the "Sewer 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 water bonds additionally secured by a pledge of the revenues of the City's water system of which the Water Project is a part (the "Water Pledged Revenues") and general obligation sewer bonds additionally secured by a pledge of the revenues of the City's sewer system of which the Sewer 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 Water Pledged Revenues will at least equal the amount required in each year for the payment of interest and principal on such general obligation water 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 water bonds for the term thereof and 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 (collectively, the "Findings"); and

WHEREAS, the Board proposes to incur the general obligation water bonds 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 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 \$3,750,000 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 "Water Proposal"); and

WHEREAS, the Board proposes to incur the general obligation sewer bonds 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 \$2,250,000 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 "Sewer 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 Findings, the Water Proposal, the Sewer Proposal, the Water Project, the Sewer Project, and the financings 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 ("Commission") of the City's Water Proposal and Sewer Proposal (the "Proposals"); to submit to said Secretary a statement of the Proposals and Findings in sufficient number of copies for each member of the Commission; and to request the Commission to consider and approve the Proposals and the Findings at its regularly-scheduled meeting in August. The 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 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 4 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 5 This resolution shall become effective and be in force immediately upon its adoption.

Passed and adopted this August 4, 2011.

(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 August 4, 2011.

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

Those Voting Aye:

Karen Abowd
Shelly Aldean
Robert Crowell
John McKenna
Molly Walt

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 August 4, 2011.

(SEAL)

City Clerk

EXHIBIT "A"

(Attach Copy of Notice of Meeting)

EXHIBIT "B"

(Attach Revenue Study)

Carson City, Nevada
 General Obligation (Limited Tax) Water Bonds, Series 2011
 Debt Service Schedule

Date	Principal	Rate	Interest	Semi-Annual Debt Service	Annual Debt Service
11/30/2011					
05/01/2012			\$58,841.97	\$58,841.97	\$58,841.97
11/01/2012	\$140,000	1.350%	70,142.75	210,142.75	
05/01/2013			69,197.75	69,197.75	279,340.50
11/01/2013	140,000	1.540%	69,197.75	209,197.75	
05/01/2014			68,119.75	68,119.75	277,317.50
11/01/2014	145,000	1.810%	68,119.75	213,119.75	
05/01/2015			66,807.50	66,807.50	279,927.25
11/01/2015	145,000	2.080%	66,807.50	211,807.50	
05/01/2016			65,299.50	65,299.50	277,107.00
11/01/2016	150,000	2.280%	65,299.50	215,299.50	
05/01/2017			63,589.50	63,589.50	278,889.00
11/01/2017	155,000	2.660%	63,589.50	218,589.50	
05/01/2018			61,528.00	61,528.00	280,117.50
11/01/2018	155,000	3.000%	61,528.00	216,528.00	
05/01/2019			59,203.00	59,203.00	275,731.00
11/01/2019	160,000	3.300%	59,203.00	219,203.00	
05/01/2020			56,563.00	56,563.00	275,766.00
11/01/2020	165,000	3.540%	56,563.00	221,563.00	
05/01/2021			53,642.50	53,642.50	275,205.50
11/01/2021	175,000	3.720%	53,642.50	228,642.50	
05/01/2022			50,387.50	50,387.50	279,030.00
11/01/2022	180,000	3.900%	50,387.50	230,387.50	
05/01/2023			46,877.50	46,877.50	277,265.00
11/01/2023	190,000	4.060%	46,877.50	236,877.50	
05/01/2024			43,020.50	43,020.50	279,898.00
11/01/2024	195,000	4.220%	43,020.50	238,020.50	
05/01/2025			38,906.00	38,906.00	276,926.50
11/01/2025	205,000	4.380%	38,906.00	243,906.00	
05/01/2026			34,416.50	34,416.50	278,322.50
11/01/2026	215,000	4.510%	34,416.50	249,416.50	
05/01/2027			29,568.25	29,568.25	278,984.75
11/01/2027	225,000	4.600%	29,568.25	254,568.25	
05/01/2028			24,393.25	24,393.25	278,961.50
11/01/2028	235,000	4.690%	24,393.25	259,393.25	
05/01/2029			18,882.50	18,882.50	278,275.75
11/01/2029	245,000	4.780%	18,882.50	263,882.50	
05/01/2030			13,027.00	13,027.00	276,909.50
11/01/2030	260,000	4.870%	13,027.00	273,027.00	
05/01/2031			6,696.00	6,696.00	279,723.00
11/01/2031	270,000	4.960%	6,696.00	276,696.00	
05/01/2032			0.00	0.00	276,696.00
	\$3,750,000		\$1,869,235.72	\$5,619,235.72	\$5,619,235.72

