

**Carson City
Agenda Report**

Date Submitted: 9/09/2014

Agenda Date Requested: 9/18/2014

Time Requested: 10 minutes

To: Mayor and Supervisors

From: Nick Providenti, Finance Director

Subject Title: For Possible Action: Action to adopt Bill No. 114, on second reading, Ordinance No. _____, an Ordinance of the Board of Supervisors of Carson City, Nevada designated by the short title "2014E V&T Historical Refunding Bond Ordinance"; providing for the issuance of its Carson City, Nevada, General Obligation (Limited Tax) V&T Historical Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2014E; providing the form, terms and conditions of the Bonds; providing for the levy and collection of annual general (ad valorem) taxes for the payment of such bonds; additionally securing their payment by a pledge of revenues derived from certain sales tax imposed by the City; and providing other matters relating thereto. (Nick Providenti)

Staff Summary: This ordinance will authorize the issuance of the Carson City, Nevada, General Obligation (Limited Tax) V&T Historical Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2014E for the purpose of refunding certain of their previously issued Carson City, Nevada General Obligation bonds, and the City hereby determines that it is necessary and in the best interest of the City and its citizens to refund these bonds for the purpose of effecting interest rate savings.

Type of Action Requested: (check one)

Resolution

Ordinance

Formal Action/Motion

Other (Specify)

Does this action require a Business Impact Statement: Yes No

Recommended Board Action: I move to adopt Bill No. 114, on second reading, Ordinance No. _____, an Ordinance of the Board of Supervisors of Carson City, Nevada designated by the short title "2014E V&T Historical Refunding Bond Ordinance"; providing for the issuance of its Carson City, Nevada, General Obligation (Limited Tax) V&T Historical Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2014E; providing the form, terms and conditions of the Bonds; providing for the levy and collection of annual general (ad valorem) taxes for the payment of such bonds; additionally securing their payment by a pledge of revenues derived from certain sales tax imposed by the City; and providing other matters relating thereto. (Nick Providenti)

Explanation for Recommended Board Action: The City is planning to issue bonds for the purpose of refunding certain of their previously issued Carson City, Nevada, General Obligation (Limited Tax) V&T Historical Bonds (Additionally Secured by Pledged Revenues), Series 2005B.

Applicable Statute, Code, Policy, Rule or Regulation: NRS Chapters 244, 348, 350, 360, 377B

Fiscal Impact: See attached financial analysis – total cash flow savings is expected to be \$667,707 with present value savings expected to be \$576,873.

Explanation of Impact: Varying ongoing debt service payments per attached schedule.

Funding Source: Reduction of interest expense in the V&T Special Infrastructure Fund.

Alternatives: Not to issue refunding bonds.

Supporting Material: Ordinance and financial analysis.

Prepared By: Nick Providenti

Reviewed By: *Darryl Paulson* Date: 9/9/14
(Department Head)

: *Wichols Munn* Date: 9/9/14
(City Manager)

: *Anthony M...* Date: 9/9/14
(District Attorney)

: *Darryl Paulson* Date: 9/9/14
(Finance Director)

Board Action Taken:

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

(Vote Recorded By)

2014E V&T Historical Refunding Bonds

**Carson City, Nevada
General Obligation (Limited Tax)
V&T Historical Refunding Bonds, Series 2014E
Sources and Uses of Funds**

Issue Summary

Dated Date	09/30/2014
Par Amount	\$8,810,000
Refunded Par	8,295,000
Avg Annual Savings	\$55,619
Total Savings	\$667,707
Present Value Savings	\$576,873
% of Refunding Par	6.548%
% of Refunded Par	6.954%
Net Underwriting as % of Par	0.057%
Total Costs as % of Par	0.822%
TIC	2.50908%
Arbitrage Yield	2.47605%
Escrow Yield	0.10917%
Refunding Average Life	7.164 years
Refunded Average Life	7.459 years
Negative Arb	\$232,848

Sources of Funds:

Par Amount	\$8,810,000.00
Original Issue Premium	0.00
Cash Contribution	<u>90,711.00</u>
Total	\$8,900,711.00

Uses of Funds:

Initial Escrow Deposit	\$5.00
Restricted Escrow Cost	8,737,591.00
Unrestricted Escrow Cost	90,711.00
Underwriting	5,000.00
Issuance Costs	<u>67,404.00</u>
Total	\$8,900,711.00

Preliminary, subject to change

**Carson City, Nevada
General Obligation (Limited Tax)
V&T Historical Refunding Bonds, Series 2014E
Debt Service Schedule**

Date	Principal	Rate	Interest	Total	Annual Debt Service
09/30/2014					
12/01/2014			\$37,320.14	\$37,320.14	
06/01/2015	\$73,000	2.500%	110,125.00	183,125.00	\$220,445.14
12/01/2015	90,000	2.500%	109,212.50	199,212.50	
06/01/2016			108,087.50	108,087.50	307,300.00
12/01/2016	92,000	2.500%	108,087.50	200,087.50	
06/01/2017			106,937.50	106,937.50	307,025.00
12/01/2017	858,000	2.500%	106,937.50	964,937.50	
06/01/2018			96,212.50	96,212.50	1,061,150.00
12/01/2018	880,000	2.500%	96,212.50	976,212.50	
06/01/2019			85,212.50	85,212.50	1,061,425.00
12/01/2019	902,000	2.500%	85,212.50	987,212.50	
06/01/2020			73,937.50	73,937.50	1,061,150.00
12/01/2020	925,000	2.500%	73,937.50	998,937.50	
06/01/2021			62,375.00	62,375.00	1,061,312.50
12/01/2021	949,000	2.500%	62,375.00	1,011,375.00	
06/01/2022			50,512.50	50,512.50	1,061,887.50
12/01/2022	973,000	2.500%	50,512.50	1,023,512.50	
06/01/2023			38,350.00	38,350.00	1,061,862.50
12/01/2023	997,000	2.500%	38,350.00	1,035,350.00	
06/01/2024			25,887.50	25,887.50	1,061,237.50
12/01/2024	1,023,000	2.500%	25,887.50	1,048,887.50	
06/01/2025			13,100.00	13,100.00	1,061,987.50
12/01/2025	1,048,000	2.500%	13,100.00	1,061,100.00	
06/01/2026			0.00	0.00	1,061,100.00
	<u>\$8,810,000</u>		<u>\$1,577,882.64</u>	<u>\$10,387,882.64</u>	<u>\$10,387,882.64</u>

Carson City, Nevada
General Obligation (Limited Tax)
V&T Historical Refunding Bonds, Series 2014E
Savings Calculation

Date	Refunding Debt Service	Refunded Debt Service	Cashflow Savings/(Loss)	PV Savings/(Loss) @ 2.47605%	Annual Savings/(Loss)
09/30/2014		(\$90,711.00)	(\$90,711.00)	(\$90,711.00)	
12/01/2014	\$37,320.14	181,421.88	144,101.74	143,502.12	
06/01/2015	183,125.00	181,421.88	(1,703.12)	(1,675.29)	\$51,687.62
12/01/2015	199,212.50	181,421.88	(17,790.62)	(17,285.93)	
06/01/2016	108,087.50	181,421.88	73,334.38	70,382.66	55,543.76
12/01/2016	200,087.50	181,421.88	(18,665.62)	(17,695.26)	
06/01/2017	106,937.50	181,421.88	74,484.38	69,748.67	55,818.76
12/01/2017	964,937.50	951,421.88	(13,515.62)	(12,501.53)	
06/01/2018	96,212.50	165,540.63	69,328.13	63,342.16	55,812.51
12/01/2018	976,212.50	970,540.63	(5,671.87)	(5,118.77)	
06/01/2019	85,212.50	148,434.38	63,221.88	56,359.02	57,550.01
12/01/2019	987,212.50	988,434.38	1,221.88	1,075.92	
06/01/2020	73,937.50	130,584.38	56,646.88	49,270.24	57,868.76
12/01/2020	998,937.50	1,005,584.38	6,646.88	5,710.62	
06/01/2021	62,375.00	111,443.75	49,068.75	41,641.50	55,715.63
12/01/2021	1,011,375.00	1,026,443.75	15,068.75	12,631.50	
06/01/2022	50,512.50	91,428.13	40,915.63	33,878.43	55,984.38
12/01/2022	1,023,512.50	1,046,428.13	22,915.63	18,742.27	
06/01/2023	38,350.00	70,537.50	32,187.50	26,003.63	55,103.13
12/01/2023	1,035,350.00	1,070,537.50	35,187.50	28,079.63	
06/01/2024	25,887.50	48,037.50	22,150.00	17,459.55	57,337.50
12/01/2024	1,048,887.50	1,093,037.50	44,150.00	34,375.29	
06/01/2025	13,100.00	24,525.00	11,425.00	8,786.75	55,575.00
12/01/2025	1,061,100.00	1,114,525.00	53,425.00	40,585.69	
06/01/2026	0.00	0.00	0.00	0.00	53,425.00
	<u>\$10,387,882.64</u>	<u>\$11,055,304.70</u>	<u>\$667,422.06</u>	<u>\$576,587.89</u>	<u>\$667,422.06</u>
		Plus: Miscellaneous	<u>285.00</u>	<u>285.00</u>	<u>285.00</u>
		Net Savings	<u>\$667,707.06</u>	<u>\$576,872.89</u>	<u>\$667,707.06</u>