

**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. 113, on second reading, Ordinance No. _____, an Ordinance of the Board of Supervisors of Carson City, Nevada designated by the short title "2014D Sewer Refunding Bond Ordinance"; providing for the issuance of its General Obligation (Limited Tax) Sewer Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2014D; 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 the sanitary sewer system and drainage system of 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) Sewer Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2014D for the purpose of refunding certain of their previously issued 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 (xx) No

Recommended Board Action: I move to adopt Bill No. 113, on second reading, Ordinance No. _____, an Ordinance of the Board of Supervisors of Carson City, Nevada designated by the short title "2014D Sewer Refunding Bond Ordinance"; providing for the issuance of its General Obligation (Limited Tax) Sewer Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2014D; 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 the sanitary sewer system and drainage system of the City; and providing other matters relating thereto.

Explanation for Recommended Board Action: The City is planning to issue bonds for the purpose of refunding certain of their previously issued General Obligation (Limited Tax) Sewer Improvement and Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2003; and its Carson City, Nevada General Obligation (Limited Tax) Drainage Bonds (Additionally Secured by Pledged Revenues), Series 2005B.

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

Fiscal Impact: See attached financial analysis – total cash flow savings is expected to be \$228,489 with present value savings expected to be \$196,021.

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

Funding Source: Reduction of interest expense in the Sewer and Stormwater Drainage Funds.

Alternatives: Not to issue refunding bonds.

Supporting Material: Ordinance and financial analysis.

Prepared By: Nick Providenti

Reviewed By: Nancy Paulson
(Department Head)

Date: 9/9/14

: Nichols Mariano
(City Manager)

Date: 9/9/14

: [Signature]
(District Attorney)

Date: 9/9/14

: Nancy Paulson
(Finance Director)

Date: 9/9/14

Board Action Taken:

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

(Vote Recorded By)

2014D Sewer Refunding Bonds

**Carson City, Nevada
General Obligation (Limited Tax)
Sewer Refunding Bonds, Series 2014D
Sources and Uses of Funds**

Issue Summary

Dated Date	09/30/2014
Par Amount	\$3,649,000
Refunded Par	3,485,000
Avg Annual Savings	\$20,685
Total Savings	228,489
Present Value Savings	196,021
% of Refunding Par	5.372%
% of Refunded Par	5.625%
Net Underwriting as % of Par	0.137%
Total Costs as % of Par	1.717%
TIC	2.47373%
Arbitrage Yield	2.47605%
Escrow Yield	0.04969%
Refunding Average Life	6.453 years
Refunded Average Life	6.698 years
Negative Arb	\$54,623

Sources of Funds:

Par Amount	\$3,649,000.00
Original Issue Premium	0.00
Cash Contribution	<u>36,517.00</u>
Total	\$3,685,517.00

Uses of Funds:

Initial Escrow Deposit	\$5.00
Restricted Escrow Cost	3,586,336.00
Unrestricted Escrow Cost	36,517.00
Underwriting	5,000.00
Issuance Costs	<u>57,659.00</u>
Total	\$3,685,517.00

Preliminary, subject to change

**Carson City, Nevada
General Obligation (Limited Tax)
Sewer Refunding Bonds, Series 2014D
Debt Service Schedule**

Date	Principal	Rate	Interest	Total	Annual Debt Service
09/30/2014					
12/01/2014			\$15,148.42	\$15,148.42	
06/01/2015	\$33,000	2.450%	44,700.25	77,700.25	\$92,848.67
12/01/2015	171,000	2.450%	44,296.00	215,296.00	
06/01/2016	40,000	2.450%	42,201.25	82,201.25	297,497.25
12/01/2016			41,711.25	41,711.25	
06/01/2017	343,000	2.450%	41,711.25	384,711.25	426,422.50
12/01/2017			37,509.50	37,509.50	
06/01/2018	351,000	2.450%	37,509.50	388,509.50	426,019.00
12/01/2018			33,209.75	33,209.75	
06/01/2019	360,000	2.450%	33,209.75	393,209.75	426,419.50
12/01/2019			28,799.75	28,799.75	
06/01/2020	368,000	2.450%	28,799.75	396,799.75	425,599.50
12/01/2020			24,291.75	24,291.75	
06/01/2021	378,000	2.450%	24,291.75	402,291.75	426,583.50
12/01/2021			19,661.25	19,661.25	
06/01/2022	387,000	2.450%	19,661.25	406,661.25	426,322.50
12/01/2022			14,920.50	14,920.50	
06/01/2023	396,000	2.450%	14,920.50	410,920.50	425,841.00
12/01/2023			10,069.50	10,069.50	
06/01/2024	406,000	2.450%	10,069.50	416,069.50	426,139.00
12/01/2024			5,096.00	5,096.00	
06/01/2025	416,000	2.450%	5,096.00	421,096.00	426,192.00
	<u>\$3,649,000</u>		<u>\$576,884.42</u>	<u>\$4,225,884.42</u>	<u>\$4,225,884.42</u>

**Carson City, Nevada
General Obligation (Limited Tax)
Sewer Refunding Bonds, Series 2014D
Savings Calculation**

Date	Refunding Debt Service	Refunded Debt Service	Cashflow Savings/(Loss)	PV Savings/(Loss) @ 2.47605%	Annual Savings/(Loss)
09/30/2014		(\$36,517.00)	(\$36,517.00)	(\$36,517.00)	
11/01/2014		4,250.00	4,250.00	4,241.00	
12/01/2014	15,148.42	67,368.75	52,220.33	52,003.04	
05/01/2015		4,250.00	4,250.00	4,189.14	
06/01/2015	77,700.25	67,368.75	(10,331.50)	(10,162.69)	13,871.83
11/01/2015		174,250.00	174,250.00	169,654.41	
12/01/2015	215,296.00	67,368.75	(147,927.25)	(143,730.83)	
05/01/2016		0.00	0.00	0.00	
06/01/2016	82,201.25	67,368.75	(14,832.50)	(14,235.49)	11,490.25
11/01/2016		0.00	0.00	0.00	
12/01/2016	41,711.25	67,368.75	25,657.50	24,323.65	
05/01/2017		0.00	0.00	0.00	
06/01/2017	384,711.25	372,368.75	(12,342.50)	(11,557.77)	13,315.00
11/01/2017		0.00	0.00	0.00	
12/01/2017	37,509.50	61,268.75	23,759.25	21,976.56	
05/01/2018		0.00	0.00	0.00	
06/01/2018	388,509.50	376,268.75	(12,240.75)	(11,183.85)	11,518.50
11/01/2018		0.00	0.00	0.00	
12/01/2018	33,209.75	54,968.75	21,759.00	19,637.16	
05/01/2019		0.00	0.00	0.00	
06/01/2019	393,209.75	384,968.75	(8,241.00)	(7,346.42)	13,518.00
11/01/2019		0.00	0.00	0.00	
12/01/2019	28,799.75	48,368.75	19,569.00	17,231.42	
05/01/2020		0.00	0.00	0.00	
06/01/2020	396,799.75	398,368.75	1,569.00	1,364.68	21,138.00
11/01/2020		0.00	0.00	0.00	
12/01/2020	24,291.75	41,368.75	17,077.00	14,671.57	
05/01/2021		0.00	0.00	0.00	
06/01/2021	402,291.75	406,368.75	4,077.00	3,459.89	21,154.00
11/01/2021		0.00	0.00	0.00	
12/01/2021	19,661.25	34,068.75	14,407.50	12,077.20	
05/01/2022		0.00	0.00	0.00	
06/01/2022	406,661.25	419,068.75	12,407.50	10,273.50	26,815.00
11/01/2022		0.00	0.00	0.00	
12/01/2022	14,920.50	26,368.75	11,448.25	9,363.31	
05/01/2023		0.00	0.00	0.00	
06/01/2023	410,920.50	426,368.75	15,448.25	12,480.33	26,896.50
11/01/2023		0.00	0.00	0.00	
12/01/2023	10,069.50	18,118.75	8,049.25	6,423.30	
05/01/2024		0.00	0.00	0.00	
06/01/2024	416,069.50	438,118.75	22,049.25	17,380.14	30,098.50
11/01/2024		0.00	0.00	0.00	
12/01/2024	5,096.00	9,456.25	4,360.25	3,394.90	
05/01/2025		0.00	0.00	0.00	
06/01/2025	421,096.00	454,456.25	33,360.25	25,656.73	37,720.50
	<u>\$4,225,884.42</u>	<u>\$4,453,420.50</u>	<u>\$227,536.08</u>	<u>\$195,067.88</u>	<u>\$227,536.08</u>
		Plus: Miscellaneous	953.00	953.00	953.00
		Net Savings	\$228,489.08	\$196,020.88	\$228,489.08