

**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. 112, on second reading, Ordinance No. _____, an Ordinance of the Board of Supervisors of Carson City, Nevada designated by the short title "2014C Water Refunding Bond Ordinance"; providing for the issuance of its General Obligation (Limited Tax) Water Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2014C; 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 water 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) Water Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2014C 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 No

Recommended Board Action: I move to adopt Bill No. 112, on second reading, Ordinance No. _____, an Ordinance of the Board of Supervisors of Carson City, Nevada designated by the short title "2014C Water Refunding Bond Ordinance"; providing for the issuance of its General Obligation (Limited Tax) Water Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2014C; 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 water 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) Water Improvement and Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2003; and its Carson City, Nevada General Obligation (Limited Tax) Water Bonds (Additionally Secured by Pledged Revenues), Series 2005A.

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 \$356,968 with present value savings expected to be \$314,335.

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

Funding Source: Reduction of interest expense in the Water 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

: *Wahab Muhammad*
(City Manager)

Date: 9/9/14

: *Andy M*
(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)

2014C Water Refunding Bonds

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

Issue Summary

Dated Date	09/30/2014
Par Amount	\$5,354,000
Refunded Par	5,135,000
Avg Annual Savings	\$32,401
Total Savings	356,968
Present Value Savings	314,335
% of Refunding Par	5.871%
% of Refunded Par	6.121%
Net Underwriting as % of Par	0.093%
Total Costs as % of Par	1.271%
TIC	2.46586%
Arbitrage Yield	2.47605%
Escrow Yield	0.04976%
Refunding Average Life	6.622 years
Refunded Average Life	6.801 years
Negative Arb	\$81,710

Sources of Funds:

Par Amount	\$5,354,000.00
Original Issue Premium	0.00
Cash Contribution	<u>53,170.00</u>
Total	\$5,407,170.00

Uses of Funds:

Initial Escrow Deposit	\$5.00
Restricted Escrow Cost	5,285,934.00
Unrestricted Escrow Cost	53,170.00
Underwriting	5,000.00
Issuance Costs	<u>63,061.00</u>
Total	\$5,407,170.00

Preliminary, subject to change

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

Date	Principal	Rate	Interest	Total	Annual Debt Service
09/30/2014					
12/01/2014			\$22,226.54	\$22,226.54	
06/01/2015	\$36,000	2.450%	65,586.50	101,586.50	\$123,813.04
12/01/2015	211,000	2.450%	65,145.50	276,145.50	
06/01/2016			62,560.75	62,560.75	338,706.25
12/01/2016			62,560.75	62,560.75	
06/01/2017	499,000	2.450%	62,560.75	561,560.75	624,121.50
12/01/2017			56,448.00	56,448.00	
06/01/2018	513,000	2.450%	56,448.00	569,448.00	625,896.00
12/01/2018			50,163.75	50,163.75	
06/01/2019	527,000	2.450%	50,163.75	577,163.75	627,327.50
12/01/2019			43,708.00	43,708.00	
06/01/2020	545,000	2.450%	43,708.00	588,708.00	632,416.00
12/01/2020			37,031.75	37,031.75	
06/01/2021	562,000	2.450%	37,031.75	599,031.75	636,063.50
12/01/2021			30,147.25	30,147.25	
06/01/2022	584,000	2.450%	30,147.25	614,147.25	644,294.50
12/01/2022			22,993.25	22,993.25	
06/01/2023	606,000	2.450%	22,993.25	628,993.25	651,986.50
12/01/2023			15,569.75	15,569.75	
06/01/2024	626,000	2.450%	15,569.75	641,569.75	657,139.50
12/01/2024			7,901.25	7,901.25	
06/01/2025	645,000	2.450%	7,901.25	652,901.25	660,802.50
	<u>\$5,354,000</u>		<u>\$868,566.79</u>	<u>\$6,222,566.79</u>	<u>\$6,222,566.79</u>

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

Date	Refunding Debt Service	Refunded Debt Service	Cashflow Savings/(Loss)	PV Savings/(Loss) @ 2.47605%	Annual Savings/(Loss)
09/30/2014		(\$53,170.00)	(\$53,170.00)	(\$53,170.00)	
11/01/2014		4,125.00	4,125.00	4,116.27	
12/01/2014	22,226.54	100,840.00	78,613.46	78,286.34	
05/01/2015		4,125.00	4,125.00	4,065.93	
06/01/2015	101,586.50	100,840.00	(746.50)	(734.30)	32,946.96
11/01/2015		169,125.00	169,125.00	164,664.57	
12/01/2015	276,145.50	100,840.00	(175,305.50)	(170,332.41)	
05/01/2016		0.00	0.00	0.00	
06/01/2016	62,560.75	100,840.00	38,279.25	36,738.51	32,098.75
11/01/2016		0.00	0.00	0.00	
12/01/2016	62,560.75	100,840.00	38,279.25	36,289.24	
05/01/2017		0.00	0.00	0.00	
06/01/2017	561,560.75	555,840.00	(5,720.75)	(5,357.03)	32,558.50
11/01/2017		0.00	0.00	0.00	
12/01/2017	56,448.00	91,740.00	35,292.00	32,644.00	
05/01/2018		0.00	0.00	0.00	
06/01/2018	569,448.00	566,740.00	(2,708.00)	(2,474.18)	32,584.00
11/01/2018		0.00	0.00	0.00	
12/01/2018	50,163.75	82,240.00	32,076.25	28,948.32	
05/01/2019		0.00	0.00	0.00	
06/01/2019	577,163.75	577,240.00	76.25	67.97	32,152.50
11/01/2019		0.00	0.00	0.00	
12/01/2019	43,708.00	72,340.00	28,632.00	25,211.81	
05/01/2020		0.00	0.00	0.00	
06/01/2020	588,708.00	592,340.00	3,632.00	3,159.04	32,264.00
11/01/2020		0.00	0.00	0.00	
12/01/2020	37,031.75	61,940.00	24,908.25	21,399.73	
05/01/2021		0.00	0.00	0.00	
06/01/2021	599,031.75	606,940.00	7,908.25	6,711.22	32,816.50
11/01/2021		0.00	0.00	0.00	
12/01/2021	30,147.25	51,040.00	20,892.75	17,513.52	
05/01/2022		0.00	0.00	0.00	
06/01/2022	614,147.25	626,040.00	11,892.75	9,847.28	32,785.50
11/01/2022		0.00	0.00	0.00	
12/01/2022	22,993.25	39,540.00	16,546.75	13,533.28	
05/01/2023		0.00	0.00	0.00	
06/01/2023	628,993.25	644,540.00	15,546.75	12,559.90	32,093.50
11/01/2023		0.00	0.00	0.00	
12/01/2023	15,569.75	27,061.88	11,492.13	9,170.72	
05/01/2024		0.00	0.00	0.00	
06/01/2024	641,569.75	662,061.88	20,492.13	16,152.75	31,984.26
11/01/2024		0.00	0.00	0.00	
12/01/2024	7,901.25	13,965.00	6,063.75	4,721.25	
05/01/2025		0.00	0.00	0.00	
06/01/2025	652,901.25	678,965.00	26,063.75	20,045.13	32,127.50
	<u>\$6,222,566.79</u>	<u>\$6,578,978.76</u>	<u>\$356,411.97</u>	<u>\$313,778.86</u>	<u>\$356,411.97</u>
		Plus: Miscellaneous	<u>556.00</u>	<u>556.00</u>	<u>556.00</u>
		Net Savings	<u>\$356,967.97</u>	<u>\$314,334.86</u>	<u>\$356,967.97</u>