

**Carson City  
Agenda Report**

**Date Submitted:** 01/02/2015

**Agenda Date Requested:** 01/15/2015

**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 sewer projects; directing the Clerk to notify the Carson City Debt Management Commission of the City's proposal to issue general obligations therefor; providing certain details in connection therewith; and providing the effective date hereof. (Nick Providenti)

**Staff Summary:** The Resolution directs notice to the Carson City Debt Management Commission of the City's intent to issue \$18,000,000 of general obligation sewer bonds additionally secured by a pledge of the revenues of the City's sewer and drainage system.

**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 sewer projects; directing the Clerk to notify the Carson City Debt Management Commission of the City's proposal to issue general obligations therefor; providing certain details in connection therewith; and providing the effective date hereof.

**Explanation for Recommended Board Action: Applicable Statute, Code, Policy, Rule or Regulation:** The Board of Supervisors proposes to acquire, construct, improve and equip certain sewer projects as defined in NRS 244A.050 which includes drainage and flood control projects. This Resolution directs the Clerk to notify the Carson City Debt Management Commission of the City's proposals to issue general obligations for such purpose and allows the City to reimburse itself from bond proceeds.

**Fiscal Impact:** \$24,337,293 in principal and interest from the Sewer Fund over the next 20 years.

**Explanation of Impact:** The City intends to pay the debt service from the sewer system net revenues.

**Funding Source:** Sewer Fund.

**Alternatives:** Elect not to borrow money and accumulate funds to do the projects on a pay as you go basis.

**Supporting Material:** Resolution

Prepared By: Nick Providenti

Reviewed By: *Michael P. White* Date: 1/6/15  
(Department Head)

*Nichols Munno* Date: 1/6/15  
(City Manager)

*Joseph L. Ward* Date: 1/6/15  
(District Attorney)

*Michael P. White* Date: 1/6/15  
(Finance Director)

**Board Action Taken:**

Motion: \_\_\_\_\_ 1) \_\_\_\_\_ Aye/Nay  
2) \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Vote Recorded By)

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

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION CONCERNING THE FINANCING OF SEWER PROJECTS; DIRECTING THE CLERK TO NOTIFY THE CARSON CITY DEBT MANAGEMENT COMMISSION OF THE CITY'S PROPOSAL TO ISSUE GENERAL OBLIGATIONS THEREFOR; 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 sewerage projects as defined in NRS 244A.0505 which includes drainage and flood control projects (the "Project"); and

**WHEREAS**, the Board pursuant to NRS 350.020(3) (subject to the approval of the proposal to issue general obligation bonds by the Carson City Debt Management Commission), proposes to issue general obligation sewer bonds additionally secured by a pledge of the revenues of the City's sewer and drainage system (the "Bonds") of which the Project is a part (the "Pledged Revenues"); and

**WHEREAS**, based on the study presented to the Board, which is attached hereto as Exhibit "B," the Board hereby determines that the Pledged Revenues will at least equal the amount required in each year for the payment of interest and principal on such Bonds and that no increase in the rate of an ad valorem tax is anticipated to be necessary for the payment of such Bonds for the term thereof (the "Finding"); and

**WHEREAS**, the Board proposes to incur the Bonds without an election unless a petition signed by the requisite number of registered voters 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 \$18,000,000 for the purpose of acquiring, constructing, improving and equipping City sewerage projects as defined in NRS 244A.0505, which includes drainage and flood control projects, 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**, 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 Finding, the Proposal, the Project, and the financings thereof be, and the same hereby are, ratified, approved and confirmed.

Section 2. The City Clerk be, and she hereby is, authorized and directed to notify the Secretary of the Carson City Debt Management Commission (“Commission”) of the City’s Proposal (the “Proposal”); to submit to said Secretary a statement of the Proposal and Finding in sufficient number of copies for each member of the Commission; and to request the Commission to consider and approve the Proposal and the Finding. 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. In order to permit the City to reimburse itself for prior expenditures relating to the Project with the proceeds of the Bonds, the Board hereby determines and declares as follows:

(a) The City reasonably expects to incur expenditures with respect to the Project prior to the issuance of the Bonds for financing the Project and to reimburse those expenditures from the issuance of the Bonds; and

(b) The maximum principal amount of the Bonds expected to be issued to reimburse such expenditures is \$18,000,000.

Section 4. The officers of the City are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution, including without limitation, requesting the State to purchase the Bonds pursuant to one or more of its programs.

Section 5. 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 6. 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 7. This resolution shall become effective and be in force immediately upon its adoption.

Passed and adopted this January 15, 2015.

---

Mayor

(SEAL)

Attest:

---

City Clerk

STATE OF NEVADA     )  
  ) ss.  
CARSON CITY            )

I am the duly chosen, qualified and acting Clerk of Carson City (the "City"), in the State of Nevada, and 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 January 15, 2015.

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

Those Voting Aye:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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, the State of Nevada's official website, and at:

- (i) Community Center  
851 East William Street  
Carson City, Nevada

- (ii) Public Safety Complex  
885 East Musser Street  
Carson City, Nevada
- (iii) City Hall  
201 North Carson Street  
Carson City, Nevada
- (iv) Carson City Library  
900 North Roop Street  
Carson City, Nevada
- (v) Business Resource & Innovation Center (BRIC)  
108 East Proctor 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 January 15, 2015.

(SEAL)

\_\_\_\_\_  
City Clerk



(Attach Copy of Notice of Meeting)

EXHIBIT "A"

---

---

**EXHIBIT "B"**

**(Attach Revenue Study)**

**Carson City, Nevada**  
**General Obligation (Limited Tax)**  
**Sewer Bonds, Series 2015**  
**Revenue Sufficiency Analysis (Combined Sewer & Drainage)**

FY Ending June 30 1/	System Net Revenues 2/	Existing Debt Service	Proposed Bonds			Combined	
			Principal	Interest 3/	Total	Debt Service	Coverage
2015	\$4,780,730	\$3,131,176				\$3,131,176	1.527
2016	6,013,675	3,017,090	\$0	\$430,920	\$430,920	3,448,010	1.744
2017	7,456,718	3,702,573	235,000	522,050	757,050	4,459,623	1.672
2018	9,142,378	3,403,821	511,461	517,300	1,028,761	4,432,581	2.063
2019	9,142,378	2,953,478	798,801	500,346	1,299,146	4,252,624	2.150
2020	9,142,378	2,953,239	823,630	478,017	1,301,646	4,254,885	2.149
2021	9,142,378	2,957,016	848,856	454,991	1,303,846	4,260,862	2.146
2022	9,142,378	2,955,840	869,490	431,332	1,300,821	4,256,661	2.148
2023	9,142,378	2,953,499	895,542	407,029	1,302,571	4,256,070	2.148
2024	9,142,378	2,959,817	917,024	382,072	1,299,096	4,258,914	2.147
2025	9,142,378	2,665,970	943,948	356,080	1,300,028	3,965,998	2.305
2026	9,142,378	2,240,258	971,325	328,953	1,300,278	3,540,535	2.582
2027	9,142,378	2,241,670	999,167	300,642	1,299,809	3,541,479	2.582
2028	9,142,378	2,242,658	1,032,487	271,034	1,303,521	3,546,179	2.578
2029	9,142,378	2,238,333	1,061,297	240,074	1,301,371	3,539,704	2.583
2030	9,142,378	2,243,595	1,095,611	207,729	1,303,340	3,546,935	2.578
2031	9,142,378	1,961,683	1,125,443	174,397	1,299,840	3,261,523	2.803
2032	9,142,378	1,960,383	1,160,805	139,591	1,300,396	3,260,779	2.804
2033	9,142,378	1,797,183	1,196,712	103,184	1,299,896	3,097,079	2.952
2034	9,142,378	898,591	1,238,180	65,517	1,303,696	2,202,288	4.151
2035	9,142,378	0	1,275,222	26,037	1,301,259	1,301,259	7.026
2036	9,142,378	0	0	0	0	0	n/a
2037	9,142,378	0	0	0	0	0	n/a
2038	9,142,378	0	0	0	0	0	n/a
2039	9,142,378	0	0	0	0	0	n/a
2040	9,142,378	0	0	0	0	0	n/a
2041	9,142,378	0	0	0	0	0	n/a
2042	9,142,378	0	0	0	0	0	n/a
2043	9,142,378	0	0	0	0	0	n/a
2044	9,142,378	0	0	0	0	0	n/a
2045	9,142,378	0	0	0	0	0	n/a
		\$51,477,873	\$18,000,000	\$6,337,293	\$24,337,293	\$75,815,166	

1/ Payments made on July 1 are considered paid in the prior fiscal year.

2/ Includes estimated impact of rates approved by the Board of Supervisors on September 19, 2013.

3/ Interest rate estimated at 2.99%. Assumes \$12,000,000 of bonds are issued through the State Clean Water SRF program and \$6,000,000 are issued as publicly offered bonds.

**Carson City, Nevada**  
**General Obligation (Limited Tax)**  
**Sewer Bonds, Series 2015**  
**Revenue Sufficiency Analysis (Sewer System)**

FY Ending June 30 1/	System Net Revenues 2/	Existing Debt Service	Proposed Bonds			Combined	
			Principal	Interest 3/	Total	Debt Service	Coverage
2015	\$4,070,283	\$2,696,763	\$0	\$0	\$0	\$2,696,763	1.509
2016	5,303,228	2,537,767	0	430,920	430,920	2,968,687	1.786
2017	6,746,271	3,140,117	235,000	522,050	757,050	3,897,167	1.731
2018	8,431,931	2,842,017	511,461	517,300	1,028,761	3,870,778	2.178
2019	8,431,931	2,391,529	798,801	500,346	1,299,146	3,690,675	2.285
2020	8,431,931	2,391,373	823,630	478,017	1,301,646	3,693,019	2.283
2021	8,431,931	2,395,460	848,856	454,991	1,303,846	3,699,307	2.279
2022	8,431,931	2,393,823	869,490	431,332	1,300,821	3,694,644	2.282
2023	8,431,931	2,391,273	895,542	407,029	1,302,571	3,693,844	2.283
2024	8,431,931	2,397,635	917,024	382,072	1,299,096	3,696,732	2.281
2025	8,431,931	2,104,085	943,948	356,080	1,300,028	3,404,113	2.477
2026	8,431,931	2,105,923	971,325	328,953	1,300,278	3,406,200	2.475
2027	8,431,931	2,107,335	999,167	300,642	1,299,809	3,407,144	2.475
2028	8,431,931	2,108,323	1,032,487	271,034	1,303,521	3,411,844	2.471
2029	8,431,931	2,103,998	1,061,297	240,074	1,301,371	3,405,369	2.476
2030	8,431,931	2,109,260	1,095,611	207,729	1,303,340	3,412,600	2.471
2031	8,431,931	1,827,348	1,125,443	174,397	1,299,840	3,127,188	2.696
2032	8,431,931	1,826,048	1,160,805	139,591	1,300,396	3,126,444	2.697
2033	8,431,931	1,662,848	1,196,712	103,184	1,299,896	2,962,744	2.846
2034	8,431,931	831,424	1,238,180	65,517	1,303,696	2,135,120	3.949
2035	8,431,931	0	1,275,222	26,037	1,301,259	1,301,259	6.480
2036	8,431,931	0	0	0	0	0	n/a
2037	8,431,931	0	0	0	0	0	n/a
2038	8,431,931	0	0	0	0	0	n/a
2039	8,431,931	0	0	0	0	0	n/a
2040	8,431,931	0	0	0	0	0	n/a
2041	8,431,931	0	0	0	0	0	n/a
2042	8,431,931	0	0	0	0	0	n/a
2043	8,431,931	0	0	0	0	0	n/a
2044	8,431,931	0	0	0	0	0	n/a
2045	8,431,931	0	0	0	0	0	n/a
		\$44,364,351	\$18,000,000	\$6,337,293	\$24,337,293	\$68,701,644	

1/ Payments made on July 1 are considered paid in the prior fiscal year.

2/ Includes estimated impact of rates approved by the Board of Supervisors on September 19, 2013.

3/ Interest rate estimated at 2.99%. Assumes \$12,000,000 of bonds are issued through the State Clean Water SRF program and \$6,000,000 are issued as publicly offered bonds.