



STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** May 7, 2020

Staff Contact: Sheri Russell, Chief Financial Officer

Agenda Title: For Possible Action: Discussion and possible action to introduce, on first reading, Bill No._____, an ordinance authorizing the issuance by Carson City of its "General Obligation (Limited Tax) Medium Term Refunding Bond, Series 2020A" in the aggregate principal amount not to exceed \$7,740,000. (Sheri Russell, srussell@carson.org)

Staff Summary: If adopted, this ordinance will authorize the issuance of the "General Obligation (Limited Tax) Medium Term Refunding Bond, Series 2020A" in the amount of \$7,740,000 for the purpose of financing the cost of refinancing certain outstanding obligations of the City, which will lower the City's interest rate, thereby saving the City approximately \$250,000.

Agenda Action: Ordinance - First Reading **Time Requested:** 5 Minutes

Proposed Motion

I move to introduce, on first reading, Bill No._____.

Board's Strategic Goal

Efficient Government

Previous Action

4/4/2020 - Publication of notice of intent to authorize medium-term obligations and public hearing in the Nevada Appeal.

4/16/2020 - Held public hearing pursuant to NRS 350.087 concerning the issuance.

4/16/2020 - Board approved Resolution #2020-9, a resolution authorizing General Obligation (limited tax) Medium Term Refunding Bonds, in the aggregate principal amount not to exceed \$7,740,000 million to finance the cost of refunding certain outstanding obligations of the City.

Background/Issues & Analysis

This ordinance is being proposed to authorize the issuance of a medium-term obligation in an amount up to \$7,740,000, under Nevada Revised Statutes Chapter 350, in order to finance the cost of refunding certain outstanding obligations of the City. The bond proceeds would be used to refund five outstanding obligations in order to reduce interest rates without extending the final maturity of any refunded bond. Staff anticipates over \$250,000 in savings. The proceeds would be used to refund the 2013 Installment Purchase Agreement on the BRIC, 2010B Water Bonds, 2010D Wastewater Bonds, 2014C Water Bonds and 2014D Stormwater Bonds. JNA, the City's debt consultant, is projecting an interest rate of 1.6 percent.

Pursuant to NRS 237.060, the preparation of a business impact statement is not required as a prerequisite to the introduction of this ordinance.

Applicable Statute, Code, Policy, Rule or Regulation

NRS Chapters 350; Article 2 of the Carson City Charter

Financial Information

Is there a fiscal impact? Yes

If yes, account name/number: Estimated annual debt service payments of approximately \$2,109,312 to \$79,920 for 10 years from original sources of funding. (BRIC will be paid from the General Fund, with General Fund receiving Rent from Building Permits and RDA, and Water, Wastewater and Stormwater refundings will continue to be paid from ratepayers of those utilities.)

Is it currently budgeted? No

Explanation of Fiscal Impact: Bond proceeds, issuance costs and debt service associated with the issuance of these Medium-Term Bonds will be paid from proceeds and were included in the calculation of savings. The City will augment the budget to add proceeds and costs accordingly during the second round of augmentations.

Alternatives

Do not introduce the ordinance and elect to not pursue the refunding.

Attachments:

[Bond Ordinance \(51595769v4\).DOC](#)

[Funding Model CACI 2020A Refi \(2020-04-02\).pdf](#)

Board Action Taken:

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

(Vote Recorded By)

Summary- An ordinance specifying the details for the issuance of a medium-term refunding bond in the maximum principal amount of \$7,740,000.

BILL NO. R-2020-9

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF A MEDIUM-TERM OBLIGATION TO FINANCE THE COST OF REFINANCING CERTAIN OUTSTANDING OBLIGATIONS OF THE CITY; SPECIFYING THE DETAILS FOR THE “CARSON CITY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) MEDIUM-TERM REFUNDING BOND, SERIES 2020” IN THE MAXIMUM PRINCIPAL AMOUNT OF \$7,740,000; SPECIFYING THE TERMS AND CONDITIONS OF SUCH BOND, THE METHOD OF PAYING THE BOND AND ITS FORM; AND PROVIDING OTHER MATTERS PROPERLY RELATING THERETO.

WHEREAS, on April 16, 2020, the Board of Supervisors (the “Board”) of Carson City, Nevada (the “City”) adopted a resolution authorizing a medium-term obligation in the maximum principal amount of \$7,740,000 (the “Authorization Resolution”), after published notice and a public hearing as provided in NRS 350.087 to 350.095, inclusive (the “Project Act”); and

WHEREAS, as provided in the Project Act, the Authorization Resolution and supporting documents were submitted to the Department of Taxation of the State of Nevada (the “Department”) for approval; and

WHEREAS, the City received the approval of the Executive Director of the Department for such medium-term obligation, a copy of such approval being attached as follows:

(Attach Tax Department Approval)

WHEREAS, the written approval of the Department as set forth in the preambles hereto is hereby recorded in the minutes of the Board as required by the Project Act; and

WHEREAS, the City has not previously utilized any of the authority so approved by the Department; and

WHEREAS, pursuant to NRS Chapter 350, including, without limitation, the Local Government Securities Law, being NRS 350.500 through 350.720, and all laws amendatory thereof (the “Bond Act”), the City has heretofore issued and delivered its “Carson City, Nevada, General Obligation (Limited Tax) Water Improvement and Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2010B (Tax-Exempt)” (the “2010B Bonds”), its “Carson City, Nevada, General Obligation (Limited Tax) Sewer Improvement and Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2010D (Tax-Exempt)” (the “2010D Bonds”), its “Carson City, Nevada, General Obligation (Limited Tax) Water Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2014C” (the “2014C Bonds”) and its “Carson City, Nevada, General Obligation (Limited Tax) Sewer Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2014D” (the “2014D Bonds”); and

WHEREAS, pursuant to the Project Act, the City has heretofore executed and delivered its Installment Purchase Agreement, Deed of Trust and Security Agreement, dated as of April 24, 2013, between the City and Capital One Public Funding, LLC (the “2013 Agreement”); and

WHEREAS, pursuant to the Bond Act, the City is authorized to refund certain obligations of the City for the purpose of reducing interest costs and/or effecting other economies; and

WHEREAS, the Board hereby determines that the medium-term obligation herein authorized to be issued shall be designated the “Carson City, Nevada, General Obligation (Limited Tax) Medium-Term Refunding Bond, Series 2020” (the “Bond”) and shall be issued as a single bond in the maximum principal amount of \$7,740,000 for the purpose of refunding certain outstanding obligations of the City, as described in the Authorization Resolution (the “Project”); and

WHEREAS, the City’s Chief Financial Officer (the “Chief Financial Officer”), and in her absence, the City Manager is authorized to receive offers for the purchase of the Bond; and

WHEREAS, after receiving offers for the purchase of the Bond, the Chief Financial Officer, or, in her absence, the City Manager is hereby authorized to specify in the Escrow Agreement (defined below) which maturities, principal installments or portions thereof of the 2010B Bonds, 2010D Bonds, 2014C Bonds, 2014D Bonds and 2013 Agreement, if any, will be refunded (collectively, the “Refunded Bonds”) and the date(s) on which the Refunded Bonds will be called for redemption; and to sell the Bond to the best bidder therefor (the “Purchaser”); and to accept a binding bid for the Bond; and

WHEREAS, the Bond is to bear interest at the rates per annum provided in the bond purchase proposal submitted by the Purchaser (the “Bond Purchase Proposal”) and accepted by the Chief Financial Officer or, in her absence, the City Manager, which rates must not exceed by more than 3% the Index of Twenty Bonds most recently published in The Bond Buyer prior to the time a negotiated offer is accepted, and is to be sold at a price equal to the principal amount thereof (not to exceed \$7,740,000), plus a premium or less a discount not exceeding 9% of the principal amount thereof, all as specified by the Chief Financial Officer, or in her absence, the City Manager in a certificate dated on or before the date of delivery of the Bond (the “Certificate of the Chief Financial Officer”); and

WHEREAS, the Board does hereby declare that the Bond is being issued pursuant to the provisions of Chapter 213, Statutes of Nevada 1969 (the “Charter”), the Project Act and the Bond Act.

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF CARSON CITY DO ORDAIN:

Section 1. Short Title. This ordinance shall be known and may be cited as the “2020 Medium-Term Refunding Bond Ordinance” (the “Ordinance”).

Section 2. Acceptance of Purchase Proposal; Escrow Agreement. The Chief Financial Officer, and in her absence, the City Manager is authorized to accept the Bond Purchaser Proposal by the execution of the Certificate of the Chief Financial Officer and on the other terms provided herein. The Chief Financial Officer, or in her absence, the City Manager, is authorized to execute and deliver on behalf of the City the agreement (the “Escrow Agreement”) between the City and Zions Bancorporation, National Association, or its successor (herein, the “Escrow Bank”) in substantially the form now on file with the City, with such changes as

designated by the Chief Financial Officer, or in her absence, the City Manager, which are consistent with the provisions of this Ordinance.

Section 3. Necessity of Project and Bond. For the purpose of providing funds to finance the Project, the City shall issue the Bond in the principal amount as set forth in the Certificate of the Chief Financial Officer (not to exceed \$7,740,000). The Board hereby finds that the useful life of the assets refinanced with the Bond is not less than the term of the Bond.

Section 4. Bond Details. The Bond shall be dated as of the date of delivery thereof. The principal of the Bond shall be payable on the dates and in the amounts as set forth in the Certificate of the Chief Financial Officer (not to exceed ten years from the date of delivery of the Bond). Except as otherwise provided herein, each principal installment shall bear interest, calculated on the basis of a 360-day year of twelve 30-day months, from the date of the Bond at the rate(s) per annum set forth in the Certificate of the Chief Financial Officer, payable semiannually on May 1 and November 1, commencing on November 1, 2020.

The installments of principal and interest prior to final payment shall be payable to the registered owner of the Bond as shown on the registration records kept by the City Treasurer in Carson City, Nevada, as registrar for the Bond (the "Registrar"), and the registration panel appended to the Bond. The final installment of principal and interest shall be payable upon presentation and surrender of the Bond at the office of the City Treasurer in Carson City, Nevada, as paying agent for the Bond (the "Paying Agent") or such other office as designated by the Paying Agent. If any installment of principal of the Bond shall not be paid on the date due, it shall continue to draw interest at the interest rate set forth in the Certificate of the Chief Financial Officer until the principal thereof is paid in full. Payment of principal of and interest on the Bond shall be made to the registered owner thereof by check or draft mailed by the Paying Agent on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day). The Paying Agent may make payments of principal and interest on the Bond by such alternative means as may be mutually agreed to between the registered owner of such Bond and the Paying Agent. All such payments shall be made in lawful money of the United States of America without deduction for any service charges of the Paying Agent or Registrar.

The installments of principal of the Bond, or portions thereof, shall be subject to prepayment in whole or in part, at the option of the City, on and after the date, if any, set forth in

the Certificate of the Chief Financial Officer, at the premium, if any, set forth in the Certificate of the Chief Financial Officer, and at a price equal to the principal amount so prepaid and interest accrued thereon to such prepayment date, on at least 10 days written notice by electronic mail or otherwise as set forth in the Certificate of the Chief Financial Officer to the registered owner of the Bond, designating the maturity date of the installment(s) of principal to be prepaid, the amount of principal to be prepaid, the prepayment date, and stating that the principal to be prepaid shall be paid to the registered owner thereof as shown on the registration records kept by the Registrar on presentation of the Bond at the office of the Paying Agent (or any successor registrar or paying agent named by the Chief Financial Officer or City Treasurer), and that after such prepayment date, interest on the amount so prepaid shall cease to accrue.

Any prepayment notice may contain a statement that the prepayment is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for prepayment sufficient to pay the prepayment price of the installments of the Bond so called for prepayment, and that if such funds are not available, such prepayment shall be cancelled by written notice to the owner of the Bond in the same manner as the original prepayment notice was given.

Section 5. General Obligation. The principal of and interest on the Bond, together with any prepayment premium (the “Bond Requirements”) shall constitute a general obligation of the City which shall be payable from monies legally available therefor, and the City hereby irrevocably pledges its full faith and credit to the payment of the Bond Requirements. For the purpose of creating an account for the payment of the Bond and the interest thereon, there is hereby created a separate account designated as the “Carson City, Nevada, General Obligation (Limited Tax) Medium-Term Refunding Bond, Series 2020 Medium-Term Debt Service Account” (the “Medium-Term Debt Service Account”). Provision for the payment of the principal and interest on the Bond shall be made as provided in the Project Act; provided, however, that ad valorem taxes levied for the purpose of paying the principal of or interest on the Bond shall be subject to the limitations contained in the constitution and statutes of the State of Nevada, including, without limitation, the limitations on the levy of taxes ad valorem imposed by NRS 354.59811, 354.59813, 354.59815, 354.5982 and 361.453. The City is not authorized to levy ad valorem taxes exempt from the limitations of any of said statutes to pay the Bond Requirements of the Bond. The City hereby irrevocably covenants with the registered owner of

the Bond from time to time that it will make sufficient provisions annually in its budget to pay the principal of and interest on the Bond, when due, and the amount of money necessary for this purpose shall be a first charge against all such revenues received by the City.

Section 6. Registration and Transfer. The Bond shall be fully registered as to the payment of principal and interest and the Registrar shall maintain records for that purpose in her office. Such records shall show the name and address of the registered owner of the Bond, the principal amount thereof, and the interest rate(s) and the payment dates for interest on the Bond, and the due dates of the principal of the Bond. Transfer of the Bond may be made on the registration records maintained by the Registrar and similarly noted on the registration panel appended to the Bond. The Registrar shall so transfer the Bond on presentation of the Bond at her office together with evidence of transfer satisfactory to the Registrar and subject to such reasonable regulations as the Registrar may prescribe. The Registrar shall not be required to transfer the Bond within ten (10) days of any date on which the principal of the Bond is being prepaid. In case of prepayment of the principal of the Bond, notation of such prepayment shall be made on the prepayment panel appended to the Bond, signed by the Registrar, and a like notation shall be made on the registration records.

Section 7. Form of the Bond. The Bond shall be in substantially the following form with such amendments as are not inconsistent with the provisions of this Ordinance which are agreed to by the City Treasurer by her execution of the Bond:

(Form of Bond)

TRANSFER OF THIS BOND OTHER THAN BY REGISTRATION IS NOT EFFECTIVE

**CARSON CITY, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
MEDIUM-TERM REFUNDING BOND
SERIES 2020**

No. R-1

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated as of</u>	<u>Principal Amount</u>
_____ %	_____, _____	_____, 2020	\$ _____

PRINCIPAL AMOUNT: DOLLARS

Carson City, Nevada (the “City”), for value received, hereby acknowledges itself to be indebted and promises to pay to the order of _____, or registered assigns, as shown on the registration panel appended thereto, the principal amount specified above, in installments of principal in the amounts and on the dates as provided in the ordinance authorizing the issuance of this Bond adopted by the Board of Supervisors of the City and designated in Section 1 thereof as the “2020 Medium-Term Refunding Bond Ordinance” (the “Ordinance”) and the Certificate of the Chief Financial Officer (as defined in the Ordinance), together with interest on the unpaid installments of principal from the date of delivery of this Bond appearing above until payment of such installments of principal shall have been discharged as provided in the Ordinance, at the interest rate per annum stated above, being payable on May 1 and November 1 of each year, commencing on November 1, 2020. Interest shall be calculated on the basis of a three hundred sixty (360) day year, consisting of twelve (12) thirty (30) day months.

The final installment of principal and interest hereof shall be paid to the registered owner of this Bond upon presentation and surrender hereof, at maturity or upon prepayment as provided below, at the office of the City’s paying agent for the Bond (the “Paying Agent”), or such office designated by the Paying Agent, presently the City Treasurer of Carson City, Nevada (the “City Treasurer”), who is also now acting as the City’s registrar for the Bond (the “Registrar”). Other installments of principal or interest on this Bond shall be paid by check or draft mailed (or such other means as is agreed to by the Paying Agent and the registered owner of this Bond) on or before each interest or principal payment date (or if such date is not a business day, on the next succeeding business day) to the registered owner hereof at the address appearing on the registration records maintained by the Registrar. If upon presentation at maturity payment of this Bond is not made as herein provided, interest shall continue at the rate specified in the Certificate of the Chief Financial Officer (as defined in the Ordinance) until the principal hereof is paid in full. All such payments shall be made in lawful money of the United States of America without deduction for any service charges of the Paying Agent or Registrar.

[The principal of this Bond may be prepaid in whole or in part on and after _____, _____, at the option of the City on ten (10) days' written notice by electronic mail or otherwise to the registered owner hereof. After the date of the prepayment of all of the principal hereof, interest on the principal so prepaid will cease to accrue. The amount of principal so prepaid shall be noted on the prepayment panel provided on this Bond and the registration records maintained by the Registrar.]

The principal of and interest on this Bond are payable only to the registered owner hereof at the address appearing on the registration records of the City maintained by the Registrar. This Bond may be transferred on presentation to the Registrar, together with evidence of transfer satisfactory to the Registrar and such transfer shall be noted in the registration records of the City and similarly noted on the registration panel appended to this Bond. The Registrar shall not be required to transfer ownership of this Bond within ten (10) days of any date on which any portion of the principal hereof is to be prepaid.

This Bond is issued by the City upon its behalf and upon the credit thereof, for the purpose of providing funds to finance the cost of refunding certain outstanding obligations of the City (the "Project"), under the authority of and in full conformity with the constitution and laws of the State.

This Bond is issued pursuant to NRS 350.087 to 350.095, inclusive (the "Project Act"), pursuant to Chapter 213, Statutes of Nevada 1969 (the "Charter"), pursuant to NRS 350.500 to 350.720, inclusive, and all laws amendatory thereof, designated in NRS 350.500 thereof as the "Local Government Securities Law," pursuant to approval of the Executive Director of the State of Nevada Department of Taxation, and pursuant to the Ordinance. This recital that the Bond is issued pursuant to the Local Government Securities Law is conclusive evidence of the validity of the Bond and the regularity of its issuance.

This Bond is payable from any monies of the City legally available for the purpose of making such payment and the full faith and credit of the City are hereby irrevocably pledged for making such payment. Provision for the payment of this Bond shall be made as provided in the Project Act, provided, however, that ad valorem taxes levied for the purpose of paying the principal and interest on this Bond are subject to the limitations contained in the constitution and the statutes of the State of Nevada, including, without limitation, the limitations on ad valorem taxes contained in NRS 354.59811, 354.59813, 354.59815, 354.5982 and 361.453. The City is not authorized to levy ad valorem taxes to pay the principal of or interest on this Bond exempt from the limitations of any of such statutes. The City has covenanted in the Ordinance to make sufficient provision annually in its budget to pay the principal of and interest on this Bond when due.

The City has covenanted for the benefit of the owner of the Bond that it will not take any action or omit to take any action with respect to the Bond, the proceeds thereof, any other funds of the City or any facilities financed with the proceeds of the Bond if such action or omission (i) would cause the interest on the Bond to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Tax Code") or (ii) would cause interest on the Bond to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. The

foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bond until the date on which all obligations of the City in fulfilling the above covenant under the Tax Code have been met.

It is hereby certified, recited, declared and warranted that all actions required to be taken prior to the issuance hereof have been had and taken by the City; and that the principal of this Bond, when added to other City indebtedness, does not exceed the limits on indebtedness of the City provided in the Charter.

IN WITNESS WHEREOF, the City has caused this Bond to be signed and executed in its name and upon its behalf with the manual signature of the Mayor to be countersigned and executed with the manual signature of the City Treasurer, and attested with the manual signature of the Clerk-Recorder, all as of the date of delivery hereof as first noted above.

CARSON CITY, NEVADA

Mayor

Countersigned:

City Treasurer

(SEAL)

Attest:

Clerk-Recorder

(End of Form of Bond)

(Form of Registration Panel)

PROVISION FOR REGISTRATION AS TO PRINCIPAL AND INTEREST

This Bond must be registered as to both principal and interest on the registration records for the Bond, kept by the office of the City Treasurer, as Registrar. After registration as to both principal and interest, the Registrar shall note such registration on such registration records and in the registration blank below, and the principal and interest on this Bond shall be paid to such registered owner. This Bond may be transferred by the registered owner or his legal representative only upon a duly executed assignment in form satisfactory to the Registrar, such transfer to be made on said registration records and endorsed hereon.

Every privilege, registration, and transfer, shall be exercised only in accordance with the authorizing ordinance and such reasonable rules and regulations as the Registrar may prescribe.

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Signature of Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(End of Form of Registration Panel)

(Form of Prepayment Panel)

PREPAYMENT PANEL

The following installments of principal (or portions thereof) of this Bond have been prepaid by the City in accordance with the terms of the within-mentioned Ordinance:

<u>Date of Prepayment</u>	<u>Due Date of Installments (or portions thereof) Prepaid</u>	<u>Principal Amount Prepaid</u>	<u>Signature of Paying Agent</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(End of Form of Prepayment Panel)

(Form of Assignment for Bond)

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto the within Bond and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the records kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Name of Transferee:

Address of Transferee:

Social Security or other tax
identification number of
Transferee:

NOTE: The signature to this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever. Signature(s) must be guaranteed by an eligible guarantor institution as defined in 17 CFR 240.17Ad-15(a)(2).

(End of Form of Assignment for Bond)

Section 8. Use of Bond Proceeds. Upon the issuance of the Bond, the City Treasurer shall cause the proceeds of the Bond to be applied as follows:

A. First, there shall be deposited into a special account established pursuant to the Escrow Agreement and designated as the “Carson City, Nevada, Series 2020, Escrow Account” (the “Escrow Account”), an amount fully sufficient, together with any other moneys therein (including any monies deposited therein from the debt service funds for the Refunded Bonds) and the proceeds of any Federal Securities (as defined below) designated for purchase in the Escrow Agreement, if any, to pay the Bond Requirements of the Refunded Bonds as provided in the Escrow Agreement.

B. Second, the balance remaining shall be set aside in a special account designated as the “Carson City, Nevada, Series 2020, Costs of Issuance Account” (the “Expense Account”), to be used to pay the incidental costs of issuance of the Bond.

After the Project is complete and after all expenses have been paid or adequate provision therefor is made, any unexpended balance of Bond proceeds (or, unless otherwise required by law, any other moneys) remaining in the Expense Account shall be deposited into the Medium-Term Debt Service Account to be used to pay the principal of and interest on the Bond.

Section 9. Maintenance of the Escrow Account.

A. The Escrow Account shall be maintained by the City in an amount at the time of those initial deposits therein and at all times subsequently at least sufficient, together with the known minimum yield to be derived from the initial investment and any temporary reinvestment of the deposits therein or any part thereof in Federal Securities (as defined below), to pay the interest due in connection with the Refunded Bonds, both accrued and not accrued, as the same become due up to and including the redemption date or dates for the Refunded Bonds; and to redeem, on such date or dates the Refunded Bonds then outstanding, in accordance with the respective ordinances of the Board authorizing the issuance of the Refunded Bonds.

B. Moneys shall be withdrawn by the Escrow Bank from the Escrow Account in sufficient amounts and at such times to permit the payment without default of interest due in connection with the Refunded Bonds, and in accordance with the provisions of the Escrow Agreement, shall cause the notices of call for prior redemption of the then outstanding Refunded Bonds to be effected. Any moneys remaining in the Escrow Account after provision shall have been made for the redemption in full of the Refunded Bonds shall be applied to any lawful purpose of the City.

C. If for any reason the amount in the Escrow Account shall at any time be insufficient for its purpose, the City shall forthwith from the first moneys available therefore deposit in such account such additional moneys as shall be necessary to permit the payment in full of the principal, interest and any redemption premiums due in connection with the Refunded Bonds as herein provided.

Section 10. Redemption of Refunded Bonds. The City hereby irrevocably elects to call for prior redemption the Refunded Bonds set forth in the Escrow Agreement on the redemption dates as provided in the Escrow Agreement, at the price equal to the principal amount of each Refunded Bond, or portion thereof, so redeemed, plus interest thereon and premium, if any, as set forth in the Escrow Agreement and in accordance with this Ordinance and the ordinances authorizing the Refunded Bonds. The registrars for the Refunded Bonds are authorized to give notices of prior redemption and defeasance of the Refunded Bonds (conditional or otherwise) in accordance with the terms of the Escrow Agreement, this Ordinance and the ordinances authorizing the issuance of the Refunded Bonds. In the case of the 2013 Agreement, the City is authorized to give a notice of prepayment (conditional or otherwise) in accordance with the terms of the 2013 Agreement.

Section 11. Purchaser Not Responsible. The validity of the Bond shall not be dependent on or be affected by the validity or regularity of any proceedings relating to the Project. The Purchaser of the Bond, any associate thereof, and any subsequent registered owner of the Bond shall in no manner be responsible for the application or disposal by the City or by any of its officers, agents and employees of the moneys derived from the sale of the Bond or of any other moneys herein designated. This provision does not relieve the Escrow Bank of its duties under the Escrow Agreement.

Section 12. Use of Investment Gain. Any gain from any investment and any reinvestment of any proceeds of the Bond (except proceeds in the Escrow Account) shall be deposited promptly upon the receipt of such gain at any time or from time to time into the Expense Account to defray, in part, the costs of the Project, or if adequate provision therefore has been made, into the Medium-Term Debt Service Account for the payment of the principal of or interest on the Bond, or any combination thereof.

Section 13. Tax Covenant. The City covenants for the benefit of the owner of the Bond that it will not take any action or omit to take any action with respect to the Bond, the proceeds thereof, any other funds of the City or any facilities refinanced with the proceeds of the Bond if such action or omission (i) would cause the interest on the Bond to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Tax Code") or (ii) would cause interest on the Bond to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bond until the date on which all obligations of the City in fulfilling the above covenant under the Tax Code have been met.

Section 14. Defeasance. When all Bond Requirements of the Bond have been duly paid, the pledge and lien and all obligations hereunder as to the Bond shall thereby be discharged and the Bond shall no longer be deemed to be outstanding within the meaning of this Ordinance. There shall be deemed to be such due payment when the City has placed in escrow or in trust with a trust bank located within or without the State (the "Trust Bank"), an amount sufficient (including the known minimum yield available for such purpose from Federal Securities (as defined below) in which such amount wholly or in part may be initially invested) to meet all Bond Requirements of the Bond, as the same become due to the final maturity of the Bond or upon any redemption date as of which the City shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of the Bond for payment. The Federal Securities shall become due before the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the City and the Trust Bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the owners thereof to assure availability as so needed to meet the schedule. For the purpose of this Ordinance, the term "Federal Securities" shall be as

defined in NRS 350.522, and shall include only Federal Securities which are not callable for redemption prior to their maturities except at the option of the holder thereof.

Section 15. Replacement of Registrar of Paying Agent. If the Registrar or Paying Agent initially appointed hereunder shall resign, or if the City Treasurer or Chief Financial Officer shall determine that it would be in the best interests of the City to appoint a new Registrar or Paying Agent hereunder, the City Treasurer or Chief Financial Officer may, upon notice mailed to the registered owner of the Bond at his address last shown on the registration records, appoint a successor Registrar or Paying Agent, or both. No resignation or dismissal of the Registrar or Paying Agent may take effect until a successor is appointed. It shall not be required that the same person or institution serve both a Registrar and Paying Agent hereunder, but the Board shall have the right to have the same institution serve as both Registrar and Paying Agent hereunder.

Section 16. Events of Default. Each of the following events is hereby declared an "Event of Default" under this Ordinance:

A. Nonpayment of Principal. Payment of the installments of principal of the Bond, shall not be made when the same shall become due and payable, either at maturity or otherwise;

B. Nonpayment of Interest. Payment of any installment of interest shall not be made when the same becomes due and payable; and

C. Appointment of Receiver. An order or decree shall be entered by a court of competent jurisdiction with the consent or acquiescence of the City appointing a receiver or receivers for the City and its finances, or if an order or decree having been entered without the consent or acquiescence of the City, shall not be vacated or discharged or stayed on appeal within sixty (60) days after entry.

Section 17. Remedies for Default. Upon the happening and continuance of any of the Event of Default, as provided in Section 16 hereof, then and in every case the registered owner of the Bond, including, without limitation, a trustee or trustees therefore: may proceed against the City and its agents, officers and employees to protect and to enforce the rights of the registered owner of Bond under the Ordinance by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement

contained herein or in an award of execution of any power herein granted for the enforcement of any proper, legal or equitable remedy as such registered owner may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of the owner of the Bond, or to require the City to act as if it were the trustee of an expressed trust, or any combination of such remedies. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of the registered owner of the Bond. During an Event of Default the interest rate on the Bond shall bear interest at the interest rate for the Bond set forth in the Certificate of the Chief Financial Officer for the event of a nonpayment of principal or interest.

Section 18. Bond-owner's Remedies.

A. The registered owner of the Bond shall be entitled to all of the privileges, rights and remedies provided herein, in the Project Act, the Bond Act and the Ordinance, and as otherwise provided or permitted at law or in equity or by other statute.

B. Nothing in this section affects or impairs the right of the owner of the Bond issued hereunder to enforce the payment of the Bond Requirements of the Bond or the obligation of the City to pay the Bond Requirements of the Bond to the owner thereof at the time and the place expressed in the Bond.

C. The failure of the registered owner of the Bond to proceed in any manner herein provided shall not relieve the City, the Board, or any of its officers, agents or employees of any liability for failure to perform or carry out any duty, obligation or other commitment. Each right or privilege of any such owner is in addition and is cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any of them shall not be deemed a waiver of any other right or privilege thereof.

Section 19. Delegated Powers. The officers of the City are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including, without limitation:

- a. The printing of the Bond.
- b. The execution of such certificates as may be reasonably required by the Purchaser, relating, inter alia, to:
 - (1) The signing of the Bond;

(2) The tenure and identity of the officials of the Board and of the City,

(3) The assessed valuation of the taxable property in and the indebtedness of the City,

(4) The exemption of interest on the registered Bond from federal income taxation,

(5) The delivery of the Bond and the receipt of the Bond purchase price,

(6) If it is in accordance with the fact, the absence of litigation, pending or threatened, affecting the validity of the Bond, and

(7) The assembly and dissemination of financial and other information concerning the City and the Bond.

c. The completion and execution of the Certificate of the Chief Financial Officer and the Escrow Agreement.

Section 20. Ratification. All action, proceedings, matters and things heretofore taken, had and done by the City and the officers thereof in connection with the Bond (not inconsistent with the provisions of this Ordinance), including, but not limited to, toward the Project and the sale and issuance of the Bond be, and the same hereby are, ratified, approved and confirmed.

Section 21. Interested Parties. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give, to, any person or entity, other than the City, and the registered owner of the Bond, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in the Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, and the registered owner of the Bond.

Section 22. Repealer. All resolutions or ordinances, or parts thereof, in conflict with the provisions of this Ordinance, are hereby repealed to the extent only of such

inconsistency. This repealer shall not be construed to revive any resolution, ordinance or part thereof, heretofore repealed.

Section 23. Irrepealable. Except as otherwise provided in Section 11 herein, after the Bond has been delivered, this Ordinance shall be irrepealable until amounts due under the Bond have been fully paid.

Section 24. Notice of Filing of Ordinance. When first proposed, this Ordinance must be read to the Board by title, after which an adequate number of copies of this Ordinance must be filed with the Clerk-Recorder for public distribution. Notice of the filing must be published once in a newspaper published and having general circulation in the City at least 10 days before the adoption of the Ordinance, such publication to be in substantially the following form:

(Form of Publication of Notice of Filing of an Ordinance)

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF A MEDIUM-TERM OBLIGATION TO FINANCE THE COST OF REFINANCING CERTAIN OUTSTANDING OBLIGATIONS OF THE CITY; SPECIFYING THE DETAILS FOR THE “CARSON CITY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) MEDIUM-TERM REFUNDING BOND, SERIES 2020” IN THE MAXIMUM PRINCIPAL AMOUNT OF \$7,740,000; SPECIFYING THE TERMS AND CONDITIONS OF SUCH BOND, THE METHOD OF PAYING THE BOND AND ITS FORM; AND PROVIDING OTHER MATTERS PROPERLY RELATING THERETO.

PUBLIC NOTICE IS HEREBY GIVEN that copies of the above-numbered and entitled proposed Ordinance have been filed for public examination and distribution at the office of the Clerk-Recorder of Carson City, 885 East Musser Street, Suite 1028, Carson City, Nevada. In the event that the Clerk-Recorder's office is closed to the public due to COVID-19, the Ordinance may be delivered electronically by contacting the person designated in the public notice agenda for the regular meeting on May 7, 2020. Additionally, such Ordinance will be posted to and may be accessed on Carson City’s website at <https://www.carson.org/government/meeting-information/agendas>. Such Ordinance was proposed by Supervisor _____ on May 7, 2020, and will be considered for adoption at the regular meeting of the Board of Supervisors of Carson City held on May 21, 2020.

/s/ Aubrey Rowlett
Clerk-Recorder

(End of Publication of Notice of Filing of Ordinance)

Section 25. Publication of Ordinance and Effective Date. This Ordinance shall be in effect from and after its publication as hereinafter provided, and after this Ordinance is signed by the Mayor and attested and sealed by the Clerk-Recorder, this Ordinance shall be published at least once by title, together with the names of the Supervisors voting for or against its passage, such publication to be made in a newspaper qualified pursuant to the provisions of NRS Chapter 238 and published and having general circulation in the City, such publication is to be in substantially the following form:

(Form for Publication after Adoption of Ordinance)

BILL NO. _____

**ORDINANCE NO. _____
(OF CARSON CITY, NEVADA)**

AN ORDINANCE AUTHORIZING THE ISSUANCE OF A MEDIUM-TERM OBLIGATION TO FINANCE THE COST OF REFINANCING CERTAIN OUTSTANDING OBLIGATIONS OF THE CITY; SPECIFYING THE DETAILS FOR THE “CARSON CITY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) MEDIUM-TERM REFUNDING BOND, SERIES 2020” IN THE MAXIMUM PRINCIPAL AMOUNT OF \$7,740,000; SPECIFYING THE TERMS AND CONDITIONS OF SUCH BOND, THE METHOD OF PAYING THE BOND AND ITS FORM; AND PROVIDING OTHER MATTERS PROPERLY RELATING THERETO.

PUBLIC NOTICE IS HEREBY GIVEN that the above numbered and entitled ordinance was proposed by Supervisor _____ on May 7, 2020, and passed and adopted without amendment at the regular meeting of the Board of Supervisors on May 21, 2020, by the following vote:

Those Voting Aye:

Those Voting Nay:

Those Absent and Not Voting:

Those Abstaining:

This ordinance shall be in full force and effect from and after May __, 2020, i.e., the date of publication of such ordinance by its title only.

IN WITNESS WHEREOF, the Board of Supervisors of Carson City, Nevada, has caused this ordinance to be published by title only.

DATED this May __, 2020.

/s/ Robert L. Crowell

Mayor

(SEAL)

Attest:

/s/ Aubrey Rowlatt

Clerk-Recorder

(End of Form of Publication)

Section 26. Severability. If any section, paragraph, clause or other provision of this Ordinance 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 Ordinance.

Section 27. Effective Date. This ordinance shall be in force and effective from and after May ____, 2020

PASSED AND ADOPTED BY THE BOARD OF SUPERVISORS OF CARSON CITY, THIS MAY 21, 2020.

Proposed on May 7, 2020.

Proposed by Supervisor _____.

Passed on May 21, 2020.

Vote:

Ayes:

Nays:

Absent:

(SEAL)

Robert Crowell, Mayor

Attest:

Aubrey Rowlett, Clerk-Recorder

STATE OF NEVADA)
) **SS.**
CARSON CITY)

I, Aubrey Rowlett, the duly elected, qualified and acting Clerk-Recorder of Carson City (herein “City”), Nevada, do hereby certify:

1. The foregoing pages constitute a true, correct and compared copy of an ordinance introduced at a meeting on May 7, 2020, and passed and adopted by the Board of Supervisors of the City (the “Board”) at a meeting of the Board held on May 21, 2020; and the original ordinance has been approved and authenticated by the signature of the Mayor and myself as Clerk-Recorder, and sealed with the seal of the City, 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 such officers and properly sealed.

2. Members of the Board voted on the passage of the ordinance as set forth in such ordinance.

3. All members of the Board were given due and proper notice of such meetings held on May 7, 2020 and May 21, 2020.

4. Public notice of such meetings was given and such meetings were held and conducted in full compliance with the provisions of NRS 241.020 and, if applicable, State of Nevada Executive Department Declaration of Emergency Directive 006, as extended. Unless such requirement was suspended by State of Nevada Executive Department Declaration of Emergency Directive 006, as extended, a copy of the notices of meetings and excerpts from the agendas for the meetings relating to the ordinance, as posted prior to 9:00 a.m. at least 3 working days in advance of the meetings at the:

- (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

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

are attached as Exhibit “A” and Exhibit “B” hereto.

5. A copy of the notices of meetings and excerpts from the agendas for the meetings relating to the ordinance were also posted prior to 9:00 a.m. at least 3 working days in advance of such meetings on the City’s website and the State of Nevada’s official website.

6. Prior to 9:00 a.m. at least 3 working days before such meetings, such notices were given to each person, if any, who has requested notice of the meetings of the Board in compliance with Chapter 241 of NRS.

7. A copy of the affidavit of publication of notice of filing of ordinance is attached hereto as Exhibit “C.” A copy of the affidavit of publication of adoption of ordinance is attached hereto as Exhibit “D.”

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of Carson City, Nevada, this May 21, 2020.

(SEAL)

Clerk-Recorder

EXHIBIT "A"

(Attach Copy of Agenda Notice of May 7, 2020 Meeting)

EXHIBIT "B"

(Attach Copy of Agenda Notice of May 21, 2020 Meeting)

EXHIBIT "C"

(Attach Copy of Affidavit of Publication of Notice of Filing of Ordinance)

EXHIBIT "D"

(Attach Copy of Affidavit of Publication of Adoption of Ordinance)

Carson City, Nevada
 General Obligation (Limited Tax)
 Medium-Term Refunding Bonds, Series 2020A
 (Combined Projects)
 Sources & Uses of Funds

	BRIC	Stormwater	Wastewater	Water	Total
Sources of Funds:					
Par Amount	\$677,000.00	\$2,014,000.00	\$716,000.00	\$4,333,000.00	\$7,740,000.00
Original Issue Premium	0.00	0.00	0.00	0.00	0.00
Cash Contribution	16,202.28	1,116.01	38,396.25	510,886.96	566,601.50
Total Sources of Funds	\$693,202.28	\$2,015,116.01	\$754,396.25	\$4,843,886.96	\$8,306,601.50
Uses of Funds					
2010B Bond Redemption	\$0.00	\$0.00	\$0.00	\$1,752,484.55	\$1,752,484.55
2010D Bond Redemption	0.00	0.00	743,396.25	0.00	743,396.25
2013 IPA Redemption	683,102.28	0.00	0.00	0.00	683,102.28
2014C Bond Redemption	0.00	0.00	0.00	3,029,702.41	3,029,702.41
2014D Bond Redemption	0.00	1,986,116.01	0.00	0.00	1,986,116.01
Bank Fees	874.68	2,602.07	925.06	5,598.19	10,000.00
Issuance Costs	9,225.32	26,397.93	10,074.94	56,101.81	101,800.00
Total Uses of Funds	\$693,202.28	\$2,015,116.01	\$754,396.25	\$4,843,886.96	\$8,306,601.50
Bond Statistics:					
True Interest Cost	1.63352%	1.65518%	1.62607%	1.66507%	1.65135%
Arbitrage Yield Limit					1.60020%
Weighted Average Maturity (yrs.)	4.056	2.425	5.272	2.051	2.622
Total Costs as % of Par	1.492%	1.440%	1.536%	1.424%	1.444%
Refunding Statistics:					
Refunded Par Amount	\$679,700	\$1,985,000	\$740,000	\$4,773,000	\$8,177,700
Average Annual Savings	\$2,705	\$8,988	\$10,368	\$18,807	\$26,429
Total Savings	\$22,116	\$45,318	\$104,500	\$94,155	\$266,089
Present Value Savings	\$18,972	\$25,438	\$95,942	\$60,159	\$200,510
PV Savings as % of Ref. Par	2.791%	1.281%	12.965%	1.260%	2.452%
Refunded Weighted Avg. Mat. (yrs.)	4.201	3.028	5.286	2.263	2.884

Carson City, Nevada
 General Obligation (Limited Tax)
 Medium-Term Refunding Bonds, Series 2020A
 (Combined Projects)
 Debt Service & Savings Schedule

Date	Principal	Rate	Interest	Semi-Annual Debt Service	Annual Debt Service	Refunded Debt Service	Cashflow Savings/(Loss)
06/09/2020							
11/01/2020	\$1,458,000	1.600%	\$48,848.00	\$1,506,848.00			
05/01/2021			50,256.00	50,256.00	\$1,557,104.00	\$1,598,861.92	\$41,757.92
11/01/2021	2,025,000	1.600%	50,256.00	2,075,256.00			
05/01/2022			34,056.00	34,056.00	2,109,312.00	2,162,154.38	52,842.38
11/01/2022	1,174,000	1.600%	34,056.00	1,208,056.00			
05/01/2023			24,664.00	24,664.00	1,232,720.00	1,268,740.98	36,020.98
11/01/2023	1,199,000	1.600%	24,664.00	1,223,664.00			
05/01/2024			15,072.00	15,072.00	1,238,736.00	1,275,327.96	36,591.96
11/01/2024	1,220,000	1.600%	15,072.00	1,235,072.00			
05/01/2025			5,312.00	5,312.00	1,240,384.00	1,276,085.13	35,701.13
11/01/2025	165,000	1.600%	5,312.00	170,312.00			
05/01/2026			3,992.00	3,992.00	174,304.00	186,809.85	12,505.85
11/01/2026	168,000	1.600%	3,992.00	171,992.00			
05/01/2027			2,648.00	2,648.00	174,640.00	188,369.15	13,729.15
11/01/2027	172,000	1.600%	2,648.00	174,648.00			
05/01/2028			1,272.00	1,272.00	175,920.00	189,639.85	13,719.85
11/01/2028	78,000	1.600%	1,272.00	79,272.00			
05/01/2029			648.00	648.00	79,920.00	90,962.50	11,042.50
11/01/2029	81,000	1.600%	648.00	81,648.00			
05/01/2030			0.00	0.00	81,648.00	92,025.00	10,377.00
	<u>\$7,740,000</u>		<u>\$324,688.00</u>	<u>\$8,064,688.00</u>	<u>\$8,064,688.00</u>	<u>\$8,328,976.72</u>	<u>\$264,288.72</u>
						Plus: Miscellaneous	<u>1,800.00</u>
						Net Savings	<u>\$266,088.72</u>