



## STAFF REPORT

**Report To:** Board of Supervisors **Meeting Date:** December 2, 2021

**Staff Contact:** Sheri Russell, Chief Financial Officer

**Agenda Title:** PUBLIC HEARING:  
For Discussion Only: Public hearing under NRS 350.020(3) concerning Carson City's proposed issuance of General Obligation (Limited Tax) Capital Improvement Bonds (Additionally Secured by Pledged Revenues), in the aggregate principal amount not to exceed \$8.1 million for the purpose of acquiring, constructing, improving, and equipping building projects as defined in NRS 244A.019; and paying the related issuance costs. (Sheri Russell, srussell@carson.org)

Staff Summary: NRS 350.020(3) requires that a public hearing be held before the Carson City, Nevada General Obligation Capital Improvement Bonds can be issued. Notice was published in the Nevada Appeal on November 3, 2021, November 10, 2021, and November 17, 2021 indicating the City's intent to hold this public hearing.

**Agenda Action:** Other / Presentation **Time Requested:** 5 Minutes

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### **Proposed Motion**

Public comment and discussion only.

### **Board's Strategic Goal**

Sustainable Infrastructure

### **Previous Action**

10/7/2021 - The Board of Supervisors ("Board") adopted Resolution #2021-R28, a resolution concerning the financing of capital improvement projects, directing the clerk to notify the Carson City Debt Management Commission of the City's proposal to issue general obligation capital improvement bonds additionally secured by pledged revenue, in the aggregate principal amount not to exceed \$8.1 million.

10/13/2021 - The Debt Management Commission adopted a resolution approving Carson City's proposed issuance of the Capital Improvement Bonds.

10/21/2021 - Board approved Resolution #2021-R30, a resolution of intent, proposing the issuance of, and authorizing the publication of notices related to general obligation (limited tax) capital improvement bonds (additionally secured by pledged revenues), in the aggregate principal amount not to exceed \$8.1 million.

10/27/2021 - The resolution of intent was published in the Nevada Appeal.

### **Background/Issues & Analysis**

This public hearing is required by statute and is the next step in the process for the City to issue general obligation bonds additionally secured by pledged revenues. After this public hearing, Carson City will still need to

complete a 90-day waiting period, a final hearing and the adoption of bond ordinances. Staff anticipate these remaining steps will be completed by February 2022.

Carson City is pursuing the issuance of a general obligation bond not to exceed the amount of \$8.1 million to fund the balance of the Emergency Operation Center/Fire Station/Backup Emergency Dispatch Center project that remains unfunded. Simultaneously, the City is applying for a federal appropriation of approximately \$2 million. If successful, City staff anticipate reducing the amount borrowed based on the federal appropriation. The bond ordinance, which is the final required step before issuing the proposed bonds, will reflect the reduced borrowing due to any federal appropriation to this project.

The interest rate on the proposed bonds was estimated by the City's municipal advisor, JNA Consulting Group, to be 4%. Based on current market conditions, JNA considers this estimate to be conservative. Prior to the adoption of the bond ordinance mentioned above, an updated estimate will be provided to the Board.

Annual debt service on the bonds will be paid from the City's General Fund. The bonds are secured by a lien on 15% of the City's distribution of Consolidated Taxes.

**Applicable Statute, Code, Policy, Rule or Regulation**

NRS 244A.019 and 350.020(3).

**Financial Information**

**Is there a fiscal impact?** Yes

**If yes, account name/number:** General Fund Transfer to Debt Service 1010279-507205 and Debt Service Fund, Principal and Interest 4107000-50XXXX.

**Is it currently budgeted?** No

**Explanation of Fiscal Impact:** As of FY 2023 Debt Service pledged from Consolidated Taxes is reduced by \$740,000, from \$3.36 million debt service in FY 2022, to \$2.62 million in debt service in FY 2023. The estimated annual debt service payments for these bonds is approximately \$605,000 for 20 years. Final amounts of bond proceeds, issuance costs, debt service and capital projects will be added to the General Fund and the Debt Service Fund budgets through a budget augmentation in FY 2022.

**Alternatives**

N/A; public hearing discussion item.

**Attachments:**

[Proof- NOH \(Capital Improvement\).pdf](#)

**Board Action Taken:**

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

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

**NOTICE OF PUBLIC HEARING ON THE INTENT OF  
CARSON CITY, NEVADA, TO ISSUE GENERAL OBLIGATION  
(LIMITED TAX) CAPITAL IMPROVEMENT BONDS  
(ADDITIONALLY SECURED BY PLEDGED REVENUES).**

**NOTICE IS HEREBY GIVEN** that the Board of Supervisors (the "Board") of Carson City (the "City"), Nevada, by a resolution, passed, adopted, signed, and approved on October 21, 2021, and designated in Section 1 thereof by the short title "2021 Resolution of Intent to Issue Capital Improvement Bonds" has proposed the issuance of the City's general obligation (limited tax) capital improvement bonds (additionally secured by pledged revenues) (the "Bonds") designated below, as follows:

**GENERAL OBLIGATION CAPITAL IMPROVEMENT 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 capital improvement bonds, in one series or more, in the aggregate principal amount of not exceeding \$8,100,000 for the purpose of acquiring, constructing, improving and equipping building projects as defined in NRS 244A.019, such bonds to mature not later than twenty-one (21) 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**

The above Proposal was previously approved by the Debt Management Commission of Carson City, Nevada.

The Board has determined that the Bonds to be issued for the purpose of financing building projects for the City (as further described in the above Proposal) will be additionally secured by a pledge of the Nevada Revised Statutes 360.698 "pledged revenues." The Board has, in addition, determined, based upon a revenue study, that the pledged revenues will at least equal the amount required in each year for the payment of the interest on and the principal of the Bonds.

All persons interested are hereby advised that the Board will hold a public hearing on the Proposal at a regular meeting to be held on December 2, 2021 at the hour of 8:30 a.m. at the Community Center, 851 East William, Carson City, Nevada. All persons are invited to attend and to be heard regarding the Proposal. Further information regarding the Proposal, the Project to be financed by the Bonds, the Bonds, and the revenues to be pledged to the Bonds, and all proceedings, are on file in the office of the Clerk-Recorder, 885 East Musser Street, Suite 1028, Carson City, Nevada, and can be seen and examined by interested persons during the regular office hours of the Clerk-Recorder.

BY ORDER of the Board of Supervisors, Carson City, Nevada, dated October 21, 2021.

Aubrey Rowlett, Carson City Clerk  
C. Eggert, Chief Deputy (seal)