



STAFF REPORT

Report To: Debt Management Commission

Meeting Date: August 23, 2022

Staff Contact: Sheri Russell

Agenda Title: For Possible Action: Discussion and possible action regarding a proposed resolution concerning the submission to the Carson City Debt Management Commission by Carson City, Nevada, of a proposal to issue general obligation infrastructure sales tax bonds (additionally secured by pledged revenues) in the aggregate principal amount not to exceed \$5,550,000; and approving certain details in connection therewith.

Staff Summary: Pursuant to NRS Chapter 350 before the City may issue general obligation bonds, a statement of the City's proposal must be submitted to the Debt Management Commission, which may approve a resolution. The City wishes to issue general obligation infrastructure sales tax bonds in an amount not to exceed \$5,550,000, in order to acquire, establish, construct, expand, improve and equip infrastructure projects as defined in NRS 377B.160(3).

Agenda Action: Resolution

Proposed Motion

I move to approve **Resolution 2022-DMC-R-1**

Board's Strategic Goal Sustainable Infrastructure

Previous Action

8/4/2022 – Board of Supervisors approved a resolution concerning the financing of infrastructure projects, directing the Carson City Clerk-Recorder to notify the Carson City Debt Management Commission of the City's proposal to issue general obligation infrastructure sales tax bonds additionally secured by pledged revenues, in the aggregate principal amount not to exceed \$5,550,000.

Background/Issues & Analysis

The William Street Corridor Project is the third of four corridor projects that was contemplated as part of the Sales Tax Infrastructure Fund approval and expenditure plan for this funding source. The William Street Corridor total project budget is \$22,240,787. The amount of \$5,540,787 is available through Redevelopment, Water, Wastewater and Stormwater Funds. An additional \$11,300,000 is available from federal funding (\$2,000,000 from Fiscal Year ("FY") 2022 federal appropriations and \$9,300,000 from a RAISE federal grant). The remaining unfunded balance of the project is \$5,400,000.

William Street is a former State Highway that now serves as a primary commercial gateway from the I-580 Freeway into the City's downtown core. It is closely connected to residential areas to the north and south of the corridor. The Carson City High School students frequently walk this corridor, and the corridor separates a large community park from a large mixed-use and residential neighborhood to the north. Current conditions of the roadway—including excessive right-of-way width, poor lighting, and lack of sidewalk connectivity and safe street crossing locations—have led to pedestrian-vehicular accidents and a pedestrian death. The project includes 1.5 miles of Complete Street replacement, Stormwater improvements, as well as underground Water and Wastewater pipe replacement.

This proposed Resolution is the second step towards issuing general obligation infrastructure sales tax bonds additionally secured by pledged revenues. If approved by the Debt Management Commission, the following additional steps are required before the proposed bonds may be issued:

(1) approval of a Resolution of Intent by the Board of Supervisors,

- (2) completion of a 90-day waiting period,
- (3) the Board of Supervisors must hold a public hearing on the proposed bonds, and
- (4) the Board of Supervisors must enact a bond ordinance. This authorization process requires between four to six months to complete.

The interest rate on the proposed bonds was estimated by the City's municipal advisor, JNA Consulting Group, LLC to be 5%. 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 Infrastructure Tax Fund. The bonds are secured by a lien on a one-eighth of one percent infrastructure sales tax imposed by an ordinance adopted by the Board of Supervisors on May 1, 2014. The attached affordability analysis compiled by JNA shows the pledged Infrastructure Tax revenues are sufficient to repay the proposed bonds.

Applicable Statute, Code, Policy, Rule or Regulation

NRS Chapters 350 and 377B

Financial Information

Is there a fiscal impact? Yes No

If yes, account name/number: Infrastructure Tax Fund, Bond Proceeds 3100099-483030 Transfer to Debt service 3100079-507205, Debt Service Fund, principal and interest payments 4107100-50XXXX.

Is it currently budgeted? Yes No

Explanation of Fiscal Impact: Bond Proceeds and issuance costs would be posted to Infrastructure Tax Fund, Bond Proceeds 3100099-483030, therefore bond issuance costs would be incorporated in the cost of the debt, and remaining amounts available for the project will be \$5,400,000. Estimated annual debt service payments of approximately \$553,000 for 15 years. Final amounts of bond proceeds, issuance costs, debt service and capital projects will be added to the Infrastructure Tax Fund and Debt Service budgets through a budget augmentation in FY 2023 once bond numbers are finalized.

Alternatives

N/A

Board Action Taken:

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

 (Vote Recorded By)

RESOLUTION NO. 2022-DMC-R-1

A RESOLUTION CONCERNING THE SUBMISSION TO THE CARSON CITY DEBT MANAGEMENT COMMISSION BY CARSON CITY, NEVADA, OF A PROPOSAL TO ISSUE GENERAL OBLIGATION INFRASTRUCTURE SALES TAX BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$5,550,000; CONCERNING ACTION TAKEN THEREON BY THE COMMISSION; AND APPROVING CERTAIN DETAILS IN CONNECTION THEREWITH.

WHEREAS, pursuant to Nevada Revised Statutes (“NRS”) 350.011 through 350.0165, Carson City, Nevada (the “City”) notified the secretary of the Debt Management Commission of Carson City (the “Secretary” and the “Commission,” respectively) of the City’s proposal to issue general obligations and submitted a statement of the City’s proposal in sufficient number of copies for each member of the Commission; and

WHEREAS, the Board of Supervisors of the City (the “Board”) pursuant to NRS 350.020(3) proposes (subject to the approval of the proposal to issue general obligations by the Commission) to adopt and publish a resolution of intent to issue general obligation infrastructure sales tax bonds (additionally secured by pledged revenues); and

WHEREAS, based on a revenue study presented to the Board, the Board determined that the pledged revenues (consisting of the revenues to be received by the City from one-eighth of 1 percent (0.125%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail, or stored, used or otherwise consumed, in the City pursuant to NRS Chapter 377B and as set forth in Chapter 21.08 of the Carson City Municipal Code) will at least equal the amount required in each year for the payment of interest and principal on such general obligation infrastructure sales tax bonds and that no increase in the rate of an ad valorem tax is anticipated to be necessary for the payment of such general obligation infrastructure sales tax bonds for the term thereof (collectively, the “Findings”); and

WHEREAS, the Board proposes to incur the general obligation infrastructure sales tax 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 INFRASTRUCTURE SALES TAX 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 infrastructure sales tax bonds, in one series or more, in the aggregate principal amount of not exceeding \$5,550,000 for the purpose of acquiring, establishing, constructing, expanding, improving and equipping certain infrastructure projects set forth in NRS 377B.160(3), such bonds to mature not later than fifteen (15) 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, the Secretary, with the approval of the Chairman of the Commission, thereupon, within ten days from the receipt of the Proposal, gave notice of a meeting to be held not more than twenty days thereafter, and provided copies of the Proposal to each member of the Commission with the notice of the meeting; and

WHEREAS, the Commission has heard anyone desiring to be heard and has taken other evidence relevant to its approving or disapproving the Proposal and the Findings; and

WHEREAS, the Commission has considered all matters in the premises.

NOW, THEREFORE, BE IT RESOLVED BY THE DEBT MANAGEMENT COMMISSION OF CARSON CITY, NEVADA:

Section 1. This resolution shall be known as the “2022 Carson City Infrastructure Sales Tax Bond DMC Approval Resolution.”

Section 2. The Commission hereby finds that the requirements of NRS 350.013 to 350.015, inclusive, have been met, and the Proposal for the issuance of general obligation infrastructure sales tax bonds proposed by the City and the Findings are approved.

Section 3. The Commission and the officers thereof hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution.

Section 4. All bylaws, orders, resolutions or parts thereof in conflict with this resolution are hereby repealed. This repealer shall not be construed to revive any bylaw, order, resolution or part thereof heretofore repealed.

Section 5. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of the section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

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

ADOPTED this August 23, 2022.

Chairperson Don Hataway
Debt Management Commission

Attest:

Aubrey Rowlett, Clerk-Recorder
Ex officio Secretary-Debt Management Commission

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

I am the duly chosen, qualified and acting Clerk-Recorder of Carson City and ex officio Secretary of the Carson City Debt Management Commission, 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 Commission adopted at a meeting of the Commission held on August 23, 2022.

2. All members of the Board were given due and proper notice of such meeting and voted on such resolution as follows:

Ayes:	Chairperson Don Hataway Vice Chairperson Nick Providenti Commissioner Mary Sanada Commissioner Richard Varner Commissioner Stan Jones
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Nays:	None
Absent:	None
Abstain:	None

3. The original of the resolution has been approved and authenticated by the signatures of the Chairman of the Commission and myself as Secretary and has been recorded in the records of the Commission kept for that purpose in my office, which records have been duly signed by the officers and properly sealed.

4. All members of the Commission 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. 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 (attached as Exhibit A) and excerpts from the agenda for the meeting relating to the resolution, was posted no later than 9:00 a.m. on the third working day prior to the meeting at the principal office of the Commission, or if there is no principal office, at the building in which the meeting is to be held, on the Commission's website, if any, on the State of Nevada's official website and at least three (3) other separate, prominent places within the jurisdiction of the Commission.

5. At least 3 working days before such meeting, such notice was delivered to each member of the Commission 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. A copy of such notice as posted and delivered is attached hereto as Exhibit A.

IN WITNESS WHEREOF, I have hereunto set my hand this August 23, 2022.

Aubrey Rowlatt, Clerk-Recorder
Ex officio Secretary-Debt Management Commission

EXHIBIT A

(Attach Copy of Notice of Meeting)

**FINANCIAL INFORMATION PRESENTED
TO THE DEBT MANAGEMENT COMMISSION OF
CARSON CITY, NEVADA**

IN SUPPORT OF THE PROPOSED

**\$5,550,000
Carson City, Nevada
General Obligation (Limited Tax) Infrastructure Sales Tax Bonds
(Additionally Secured by Pledged Revenues)**

EXECUTIVE SUMMARY

Carson City, Nevada (the "City") is proposing to issue up to \$5,550,000 in General Obligation (Limited Tax) Infrastructure Sales Tax Bonds (Additionally Secured by Pledged Revenues) (the "Proposed Bonds). The City has no outstanding general obligation debt paid from property taxes. It has \$141,095,275 of revenue-supported general obligation debt and \$6,516,000 of medium-term general obligation debt outstanding as of August 4, 2022.

The City is proposing to issue \$5,550,000 of revenue supported general obligation debt as described herein. The City will pledge its 1/8% Infrastructure Sales Tax (the "Pledged Revenues") to the Proposed Bonds. The City does not anticipate that the Proposed Bonds will have an impact on the City's tax rate. The highest overlapping tax rate within the City for fiscal year 2022-23 is \$3.5700. This document details how the Proposed Bonds fit within the criteria outlined in Nevada Revised Statutes ("NRS") 350.015.

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THE PROJECT

The City intends to use the proceeds of the Proposed Bonds to defray wholly or in part the cost to acquire, establish, construct, expand, improve and equip certain infrastructure projects set forth in NRS 377B.160(3), including, without limitation, certain street projects described in NRS 373.028(2) and certain facilities relating to public safety or to cultural and recreational functions. The City currently anticipates the Proposed Bonds will fund construction of roadway improvements within the City.

CRITERIA FOR CONSIDERATION (NRS 350.015)

NRS 350.015 Criteria for approval or disapproval of certain proposals; requests for information; use of money received from sale of general obligation debt or from special elective tax.

1. In determining whether to approve, conditionally or provisionally approve, or disapprove a proposal to incur debt, to enter an installment-purchase agreement with a term of more than 10 years or to levy a special elective tax, the commission shall not, except as otherwise provided in paragraph (d) and NRS 350.0135, initiate a determination as to whether the proposed debt, installment-purchase agreement or special elective tax is sought to accomplish a public purpose or to satisfy a public need. The commission shall consider, but is not limited to, the following criteria:

(a) If the proposal is to incur debt, the amount of debt outstanding on the part of the municipality proposing to incur the debt.

(b) The effect of the tax levy required for debt service on the proposed debt or to repay an installment-purchase agreement with a term of more than 10 years, or of the proposed levy of a special elective tax, upon the ability of the municipality proposing to incur the general obligation debt, enter the installment-purchase agreement or levy the special elective tax and of other municipalities to raise revenue for operating purposes.

(c) The anticipated need for other incurrences of debt, installment-purchase agreements or levies of special elective taxes by the municipality proposing to incur the debt, enter the installment-purchase agreement or levy the special elective tax and other municipalities whose tax-levying powers overlap, as shown by the county or regional master plan, if any, and by other available information.

(d) If the information set forth in paragraph (b) of subsection 4 of NRS 350.014 indicates that the proposal would result in a combined property tax rate in any of the overlapping entities within the county which exceeds the specified percentage, pursuant to subsection 1 of NRS 350.0155, of the limit provided in NRS 361.453:

(1) The public need to be served by the proceeds from the proposed debt or tax levy in accordance with the priorities established pursuant to subsection 2 of NRS 350.0155; and

(2) A comparison of that public need and other public needs that appear on the statements of current and contemplated general obligation debt and special elective taxes submitted pursuant to paragraphs (a) and (b) of subsection 1 of NRS 350.013 that may affect the combined property tax rate in any of the overlapping entities within the county.

2. The commission may make reasonable requests from a municipality for information relating to the criteria described in paragraphs (a) to (d), inclusive, of subsection 1. A municipality shall use its best efforts to comply with information requests from the commission in a timely manner.

3. If the commission approves the proposal, the amount received from the sale of the general obligation debt or from the special elective tax may be expended only for the purposes described in the proposal.

(Added to NRS by 1967, 1386; A 1977, 539; 1993, 2658; 1995, 770, 1959; 2001, 884, 2309) –
(Substituted in revision for NRS 350.0051)

DEBT LIMITATION AND OUTSTANDING GENERAL OBLIGATION INDEBTEDNESS

NRS 350.015.1(a) If the proposal is to incur debt, the amount of debt outstanding on the part of the municipality proposing to incur the debt.

The City’s Charter limits the total principal amount of general obligation debt the City may have outstanding to 15% of the City’s total assessed valuation. The City’s limit for general obligation debt based on the assessed valuation for fiscal year 2022-23 of \$2,222,149,576 (including the Carson City Redevelopment Agency in the amount of \$146,524,193) is \$333,322,436.

The tables on the following pages present the outstanding and proposed indebtedness of the City.

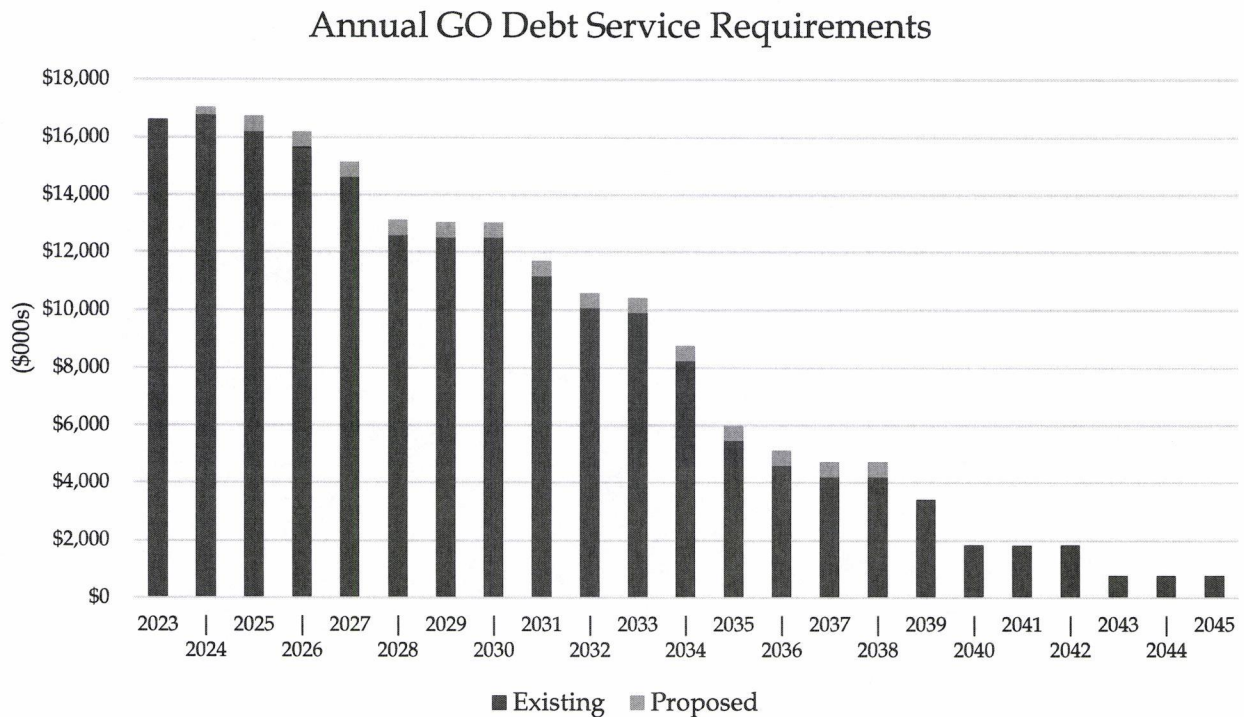
**OUTSTANDING GENERAL OBLIGATION DEBT
Carson City, Nevada
August 4, 2022**

	Date Issued	Maturity Date	Original Amount	Amount Outstanding
GENERAL OBLIGATION DEBT¹				
GENERAL OBLIGATION MEDIUM-TERM BONDS				
Various Purpose, Series 2014	06/04/14	06/01/24	\$2,651,000	\$578,000
Various Purpose, Series 2017A	07/06/17	06/01/27	3,840,000	1,702,000
Various Purpose Refunding, Series 2020	06/09/20	11/01/29	7,720,000	<u>4,236,000</u>
SUB-TOTAL				\$6,516,000
SELF-SUPPORTING G.O. BONDS AND NOTES²				
<i>Water Revenue Supported Bonds</i>				
Water, Series 2009	11/13/09	07/01/29	\$3,400,000	\$1,286,486
Water, Series 2010E	10/22/10	07/01/30	21,900,000	11,472,306
Water, Series 2014A	04/02/14	01/01/34	6,000,000	4,256,181
Water, Series 2018B	08/15/18	07/01/38	10,700,000	9,990,000
Water, Series 2019A	01/30/19	11/01/38	7,000,000	7,000,000
Water, Series 2022A	03/09/22	11/01/41	15,365,000	<u>15,365,000</u>
SUB-TOTAL				\$49,369,973
<i>Wastewater & Stormwater Revenue Supported Bonds</i>				
Wastewater, Series 2010F	10/22/10	07/01/30	\$2,748,556	\$1,367,294
Wastewater, Series 2014B	04/02/14	01/01/34	23,787,662	17,279,370
Stormwater, Series 2014B	04/02/14	01/01/34	962,338	699,043
Wastewater, Series 2015A	07/10/15	07/01/35	12,000,000	9,149,595
Wastewater, Series 2015B	08/03/15	11/01/34	6,245,000	4,625,000
Wastewater, Series 2017B	11/07/17	11/01/37	6,000,000	5,180,000
Stormwater, Series 2018A	04/04/18	11/01/37	4,875,000	4,500,000
Wastewater, Series 2022B	03/09/22	11/01/31	1,780,000	<u>1,780,000</u>
SUB-TOTAL				\$44,580,302

	Date Issued	Maturity Date	Original Amount	Amount Outstanding
<i>Other Revenue Supported Bonds</i>				
Capital Improvement Refunding, Series 2013A	05/30/13	05/01/30	\$16,520,000	\$8,570,000
V&T Historical Refunding, Series 2013B	05/30/13	06/01/23	3,350,000	395,000
Parks Refunding, Series 2013C	05/30/13	03/01/30	6,555,000	4,640,000
V&T Historical Refunding, Series 2014E	12/17/14	12/01/25	8,400,000	3,775,000
Infrastructure Sales Tax, Series 2014F	12/17/14	09/01/44	13,600,000	11,885,000
Capital Improvement, Series 2015C	08/03/15	05/01/33	15,410,000	9,780,000
Capital Improvement, Series 2022C	03/09/22	05/01/42	8,100,000	<u>8,100,000</u>
SUB-TOTAL				\$47,145,000
TOTAL GENERAL OBLIGATION DEBT OUTSTANDING				\$147,611,275

- ¹ General obligation bonds secured by the full faith and credit and payable from all legally available funds of the City. The property tax rate available to pay these bonds is limited to the \$3.64 statutory and the \$5.00 constitutional limits, as well as to the City's maximum operating levy and any legally available tax-overrides.
- ² General obligation bonds and notes additionally secured by pledged revenues; if revenues are insufficient, the City is obligated to pay the difference between such revenues and debt service requirements of the respective obligations. The property tax rate available to pay these bonds is limited to the \$3.64 statutory and the \$5.00 constitutional limits.

SOURCE: The City Finance Department, compiled by JNA Consulting Group, LLC



PROPOSED GENERAL OBLIGATION DEBT
As of August 4, 2022

Proposed Bonds	Issuance Date	Proposed Amount
Infrastructure Sales Tax Bonds	03/2023	<u>\$5,550,000</u>
TOTAL		<u>\$5,550,000</u>

SOURCE: The City

As shown in the following table the City has sufficient capacity to issue the Proposed Bonds within its general obligation statutory debt limitation.

STATUTORY DEBT CAPACITY
Carson City, Nevada
August 4, 2022

Carson City Assessed Valuation	\$2,075,625,383
Carson City Redevelopment Agency Assessed Valuation	<u>146,524,193</u>
Total Assessed Valuation	\$2,222,149,576
Statutory Debt Limitation (15%)	\$333,322,436
Outstanding General Obligation Indebtedness	(\$147,611,275)
Plus: Proposed Bonds	<u>(5,550,000)</u>
Outstanding and Proposed General Obligation Indebtedness	(\$153,161,275)
Additional Statutory Debt Limitation	\$180,161,161

SOURCE: State of Nevada Department of Taxation and the City

PROPOSED BOND AFFORDABILITY

NRS 350.015.1(b) The effect of the tax levy required for debt service on the proposed debt or to repay an installment-purchase agreement with a term of more than 10 years, or of the proposed levy of a special elective tax, upon the ability of the municipality proposing to incur the general obligation debt, enter the installment-purchase agreement or levy the special elective tax and of other municipalities to raise revenue for operating purposes.

The City will pay the Proposed Bonds with the Pledged Revenues, which consist of a 1/8 percent sales tax. The City anticipates that the Pledged Revenues will be sufficient to repay the Proposed Bonds and the City's outstanding 2014F Bonds (the "Outstanding Infrastructure Tax Bonds"), and that the issuance of the Proposed Bonds should not have an impact on the overlapping tax rate within the City.

The tables on the following pages demonstrate the City's ability to repay the Outstanding Infrastructure Tax Bonds and the Proposed Bonds with the Pledged Revenues.

OUTSTANDING AND PRO-FORMA INFRASTRUCTURE SALES TAX DEBT SERVICE REQUIREMENTS August 4, 2022

Fiscal Year Ending June 30	Outstanding Infrastructure Bonds			Proposed Bonds			Combined Debt Service
	Principal	Interest	Total	Principal	Interest ¹	Total	
2023 ²	\$330,000	\$445,925	\$775,925	\$ 0	\$ 0	\$0	\$775,925
2024	345,000	429,050	774,050	0	277,500	277,500	1,051,550
2025	365,000	411,300	776,300	280,000	270,500	550,500	1,326,800
2026	385,000	392,550	777,550	295,000	256,125	551,125	1,328,675
2027	400,000	376,925	776,925	310,000	241,000	551,000	1,327,925
2028	410,000	364,775	774,775	325,000	225,125	550,125	1,324,900
2029	425,000	352,250	777,250	345,000	208,375	553,375	1,330,625
2030	435,000	339,350	774,350	360,000	190,750	550,750	1,325,100
2031	450,000	325,794	775,794	380,000	172,250	552,250	1,328,044
2032	465,000	311,206	776,206	400,000	152,750	552,750	1,328,956
2033	480,000	295,850	775,850	420,000	132,250	552,250	1,328,100
2034	495,000	279,388	774,388	440,000	110,750	550,750	1,325,138
2035	515,000	261,713	776,713	465,000	88,125	553,125	1,329,838
2036	530,000	242,763	772,763	485,000	64,375	549,375	1,322,138
2037	550,000	222,513	772,513	510,000	39,500	549,500	1,322,013
2038	575,000	200,700	775,700	535,000	13,375	548,375	1,324,075
2039	600,000	177,200	777,200	0	0	0	777,200
2040	620,000	152,800	772,800	0	0	0	772,800

Fiscal Year Ending June 30	Outstanding Infrastructure Bonds			Proposed Bonds			Combined Debt Service
	Principal	Interest	Total	Principal	Interest ¹	Total	
2041	645,000	127,500	772,500	0	0	0	772,500
2042	675,000	101,100	776,100	0	0	0	776,100
2043	700,000	73,600	773,600	0	0	0	773,600
2044	730,000	45,000	775,000	0	0	0	775,000
2045	<u>760,000</u>	<u>15,200</u>	<u>775,200</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>775,200</u>
TOTAL	\$11,885,000	\$5,944,452	\$17,829,452	\$5,550,000	\$2,442,750	\$7,992,750	\$25,822,202

¹ Interest rate estimated at 5.0%.

² Includes all payments to be made in Fiscal Year 2023.

SOURCE: The City, compiled by JNA Consulting Group, LLC

PLEGGED REVENUE AND SUFFICIENCY OF INFRASTRUCTURE SALES TAX
Carson City, Nevada

	Fiscal Year				
	2019 (Audited)	2020 (Audited)	2021 (Audited)	2022 (Estimated)	2023 (Budgeted)
PLEGGED REVENUES	\$1,487,619	\$1,609,481	\$1,905,779	\$1,905,778	\$1,943,894
Debt Service					
Existing ¹	\$775,975	\$774,575	\$772,775	\$775,475	\$777,250
Proposed ¹	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>553,375</u>
Total Debt Service	\$775,975	\$774,575	\$772,775	\$775,475	\$1,330,625
EXCESS/(DEFICIENCY)	\$711,644	\$834,906	\$1,133,004	\$1,130,303	\$613,269

¹ For Fiscal Year 2023, represents maximum annual debt service occurring in Fiscal Year 2029.

SOURCE: Carson City Finance Department, compiled by JNA Consulting Group, LLC

EFFECTS ON OTHER LOCAL GOVERNMENTS

NRS 350.015.1(c) The anticipated need for other incurrences of debt, installment-purchase agreements or levies of special elective taxes by the municipality proposing to incur the debt, enter the installment-purchase agreement or levy the special elective tax and other municipalities whose tax-levying powers overlap, as shown by the county or regional master plan, if any, and by other available information.

The City anticipates the Pledged Revenues will be sufficient to pay the principal and interest on the Outstanding Infrastructure Tax Bonds and the Proposed Bonds when due. Therefore, the Proposed Bonds should not affect the ability of other political subdivisions to raise revenue for operating purposes or debt service requirements.

The statutory tax rate limit is \$3.64 per \$100 of assessed valuation (\$0.02 of State levied tax is not subject to the statutory limitation). For fiscal year 2022-23, the highest overlapping tax rate in Carson City is \$3.5700. The overlapping tax rates should not be affected by the issuance of the Proposed Bonds.

ADDITIONAL GENERAL OBLIGATION INDEBTEDNESS AND PROPOSED TAX LEVIES

NRS 350.015.1(d) If the information set forth in paragraph (b) of subsection 4 of NRS 350.014 indicates that the proposal would result in a combined property tax rate in any of the overlapping entities within the county which exceeds the specified percentage, pursuant to subsection 1 of NRS 350.0155, of the limit provided in NRS 361.453:

- (1) The public need to be served by the proceeds from the proposed debt or tax levy in accordance with the priorities established pursuant to subsection 2 of NRS 350.0155; and***
 - (2) A comparison of that public need and other public needs that appear on the statements of current and contemplated general obligation debt and special elective taxes submitted pursuant to paragraphs (a) and (b) of subsection 1 of NRS 350.013 that may affect the combined property tax rate in any of the overlapping entities within the county.***
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NRS requires local governments to file capital improvement plans, statements of current and contemplated debt, and debt management policies with the County Clerk. To the best of the City's knowledge, no capital improvement plans or debt management policies have been filed that identify any new voter-approved tax rates (overrides or bonds). The City has filed its required documents which include the projects to be funded by the Proposed Bonds. Local governments are required to submit a debt management policy and indebtedness report by August 1st of each year.

The City does not expect the issuance of the Proposed Bonds will result in an increase in the City's tax rate. Therefore, the issuance of the Proposed Bonds should not adversely impact overlapping entities in levying tax rates for bonds or overrides.

REQUIRED DOCUMENT SUBMISSION

Pursuant to NRS 350.013, the City has submitted the following documents to the Department of Taxation and the DMC:

- Statements of current and contemplated debt and retirement schedules,
- A written statement of the debt management policy of the City, and
- The City's Capital Improvement Plan, which includes the projects to be financed by the proceeds of the Proposed Bonds.

The City's Chief Financial Officer is:

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