

**Carson City
Agenda Report**

Date Submitted: 07/08/14

Agenda Date Requested: 07/17/14

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 certain infrastructure projects set forth in NRS 377B.160(3); 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; providing for the reimbursement of expenditures from the proceeds of bonds; and providing the effective date hereof.

Staff Summary: The Resolution directs notice to the Carson City Debt Management Commission of the City's intent to issue \$13,600,000 of general obligation infrastructure sales tax bonds additionally secured by a pledge of the revenues received by the City from the Infrastructure Sales Tax approved by the City and set forth in Chapter 21.08 of the Carson City Municipal Code.

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 certain infrastructure projects set forth in NRS 377B.160(3); 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; providing for the reimbursement of expenditures from the proceeds of bonds; 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, 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. This Resolution directs the Clerk to notify the Carson City Debt Management Commission of the City's proposals to issue General Obligations and allows the city to reimburse itself from bond proceeds.

Fiscal Impact: \$25,124,709 in principal and interest from the Infrastructure Tax Fund over the next 30 years.

Explanation of Impact: The City intends to pay the debt service from the proceeds of the 1/8 percent sales and use tax levied pursuant to NRS 377B.

Funding Source: Infrastructure Tax Fund.

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

Supporting Material: Resolution, Amortization Schedule

Prepared By: Nick Providenti

Reviewed By: Nancy Paulson Date: 7/8/14
(Department Head)

Lucretia Myamoto Date: 7/8/14
(City Manager)

[Signature] Date: 7/8/14
(District Attorney)

Nancy Paulson Date: 7/8/14
(Finance Director)

Board Action Taken:

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

(Vote Recorded By)

**Carson City, Nevada
General Obligation (Limited Tax)
Infrastructure Sales Tax Bonds, Series 2014
Revenue Sufficiency Analysis**

Fiscal Year	Infrastructure Sales Tax 1/	Proposed Bonds		Total	Coverage
		Principal	Interest 2/		
2015	\$787,133				
2016	1,049,511	\$0	\$713,668	\$713,668	147.06%
2017	1,049,511	245,000	595,381	840,381	124.89%
2018	1,049,511	255,000	585,381	840,381	124.89%
2019	1,049,511	265,000	574,981	839,981	124.94%
2020	1,049,511	280,000	564,081	844,081	124.34%
2021	1,049,511	290,000	552,681	842,681	124.54%
2022	1,049,511	300,000	540,881	840,881	124.81%
2023	1,049,511	315,000	528,581	843,581	124.41%
2024	1,049,511	325,000	515,781	840,781	124.83%
2025	1,049,511	340,000	502,481	842,481	124.57%
2026	1,049,511	355,000	488,581	843,581	124.41%
2027	1,049,511	365,000	474,181	839,181	125.06%
2028	1,049,511	380,000	459,281	839,281	125.05%
2029	1,049,511	400,000	443,681	843,681	124.40%
2030	1,049,511	415,000	427,381	842,381	124.59%
2031	1,049,511	430,000	410,481	840,481	124.87%
2032	1,049,511	450,000	391,756	841,756	124.68%
2033	1,049,511	470,000	371,056	841,056	124.78%
2034	1,049,511	490,000	349,456	839,456	125.02%
2035	1,049,511	515,000	326,844	841,844	124.67%
2036	1,049,511	540,000	302,769	842,769	124.53%
2037	1,049,511	565,000	277,216	842,216	124.61%
2038	1,049,511	590,000	250,506	840,506	124.87%
2039	1,049,511	620,000	222,525	842,525	124.57%
2040	1,049,511	650,000	193,156	843,156	124.47%
2041	1,049,511	680,000	161,975	841,975	124.65%
2042	1,049,511	715,000	128,844	843,844	124.37%
2043	1,049,511	750,000	94,050	844,050	124.34%
2044	1,049,511	785,000	57,594	842,594	124.56%
2045	1,049,511	820,000	19,475	839,475	125.02%
		\$13,600,000	\$11,524,709	\$25,124,709	

1/ FY15 based on final City budget. Tax is effective for 9 months of the 2015 fiscal year. For FY16-45, no growth in sales tax is assumed.

2/ Interest rate estimated at 4.56%.

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

RESOLUTION NO. _____

A RESOLUTION CONCERNING THE FINANCING OF CERTAIN INFRASTRUCTURE PROJECTS SET FORTH IN NRS 377B.160(3); 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; PROVIDING FOR THE REIMBURSEMENT OF EXPENDITURES FROM THE PROCEEDS OF BONDS; 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, 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 (collectively the "Project"); and

WHEREAS, the Board, pursuant to NRS 350.020(3) (subject to the approval of the proposal to issue general obligations by the Carson City Debt Management Commission), proposes to issue general obligation infrastructure sales tax bonds (the "Sales Tax Bonds") additionally secured by a pledge of the revenues received by the City from the Infrastructure Sales Tax approved by the City and set forth in Chapter 21.08 of the Carson City Municipal Code (the "Pledged Revenues"); and

WHEREAS, based on a 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 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 Sales Tax Bonds for the term thereof (the “Findings”); and

WHEREAS, the Board proposes to incur the 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 \$13,600,000 for the purpose of acquiring, establishing, constructing, expanding, improving and equipping various City infrastructure projects set forth in NRS 377B.160(3), 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 details 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 Findings, the Proposal, the Project, and the financing thereof be, and the same hereby are, ratified, approved and confirmed.

Section 2. The City Clerk be, and he hereby is, authorized and directed to notify the Secretary of the Carson City Debt Management Commission (“Commission”) of the City’s Proposal; to submit to said Secretary a statement of the Proposal and Findings in sufficient number of copies for each member of the Commission; and to request the Commission to consider and approve the Proposal and the Findings. 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 Sales Tax 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 Sales Tax Bonds for financing the Project and to reimburse those expenditures from the issuance of the Sales Tax Bonds; and

(b) The maximum principal amount of the Sales Tax Bonds expected to be issued to reimburse such expenditures is \$13,600,000.

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.

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 July 17, 2014.

(SEAL)

Mayor

Attest:

City Clerk

STATE OF NEVADA)
) ss.
CARSON CITY)

I, Alan Glover, the duly chosen, qualified and acting Clerk of Carson City (the “City”), in the State of Nevada, 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 July 17, 2014.

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 July 17, 2014.

(SEAL)

City Clerk

EXHIBIT "A"

(Attach Copy of Notice of Meeting)

EXHIBIT "B"

(Attach Revenue Study)