

**Carson City  
Agenda Report**

**Date Submitted:** 08/12/2014

**Agenda Date Requested:** 08/21/2014

**Time Requested:** 10 minutes

**To:** Mayor and Supervisors

**From:** Nick Providenti, Finance Director

**Subject Title:** Action to adopt a resolution of intent, proposing the issuance of, and authorizing the publication of notices relating to, general obligation (limited tax) infrastructure sales tax bonds (additionally secured by pledged revenues) for the purpose of financing infrastructure projects for the City; providing the manner, form and contents of the notices; authorizing the City Manager or City Finance Director to arrange for the sale of the bonds; providing other matters properly related thereto; and providing the effective date hereof. (Nick Providenti)

**Staff Summary:** Staff is requesting the Board of Supervisors approve a resolution of intent to issue general obligation (limited tax) infrastructure bonds additionally secured by pledged revenues and to authorize the City Manager or City Finance Director to arrange for the sale of the bonds.

**Type of Action Requested:** (check one)

Resolution

Ordinance

Formal Action/Motion

Other (Specify)

**Does this action require a Business Impact Statement:**  Yes  No

**Recommended Board Action:** I move to adopt Resolution # \_\_\_\_\_, a resolution of intent, proposing the issuance of, and authorizing the publication of notices relating to, general obligation (limited tax) infrastructure sales tax bonds (additionally secured by pledged revenues) for the purpose of financing infrastructure projects for the City; providing the manner, form and contents of the notices; authorizing the City Manager or City Finance Director to arrange for the sale of the bonds; providing other matters properly related thereto; and providing the effective date hereof. (Nick Providenti)

**Explanation for Recommended Board Action:** Pursuant to 7.030 of the Charter, 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. The Board proposes to issue general obligation infrastructure bonds 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.

**Applicable Statute, Code, Policy, Rule or Regulation:** 7.030 of the Charter, NRS 350.500 through NRS 350.720, NRS 350.020(3) and 377B.160(3).

**Fiscal Impact:** Infrastructure Fund estimate of \$25,124,709 including principal and interest.

**Explanation of Impact:** Infrastructure Fund ongoing debt service payment of approximately \$840,000 for 30 years

**Funding Source:** 1/8 cent infrastructure sales tax

**Alternatives:** Not to issue debt.

**Supporting Material:** Resolution

**Prepared By:** Nick Providenti


**Reviewed By:**



(Department Head)

Date:

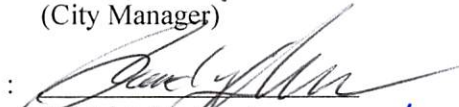
8/12/14

: 

(City Manager)

Date:


8/12/14

: 

(District Attorney)

Date:

8/12/14

: 

(Finance Director)

Date:

8/12/14

**Board Action Taken:**

Motion: \_\_\_\_\_ 1) \_\_\_\_\_  
2) \_\_\_\_\_

Aye/Nay

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

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

Summary - a resolution of intent to issue general obligation (limited tax) infrastructure sales tax bonds (additionally secured by pledged revenues).

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

**A RESOLUTION OF INTENT, PROPOSING THE ISSUANCE OF, AND AUTHORIZING THE PUBLICATION OF NOTICES RELATING TO GENERAL OBLIGATION (LIMITED TAX) INFRASTRUCTURE SALES TAX BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) FOR THE PURPOSE OF FINANCING INFRASTRUCTURE PROJECTS FOR THE CITY; PROVIDING THE MANNER, FORM AND CONTENTS OF THE NOTICES; AUTHORIZING THE CITY MANAGER OR CITY FINANCE DIRECTOR TO ARRANGE FOR THE SALE OF THE BONDS; PROVIDING OTHER MATTERS PROPERLY RELATED THERETO; AND PROVIDING THE EFFECTIVE DATE HEREOF.**

WHEREAS, the Board of Supervisors (“Board”) of Carson City (the “City”), Nevada proposes to issue up to \$13,600,000 of general obligation (limited tax) infrastructure sales tax bonds (additionally secured by pledged water revenues) (respectively, the “Pledged Revenues” and the “Bonds”); and

WHEREAS, the Board proposes to incur these 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**, pursuant to Nevada Revised Statutes ("NRS") 350.011 to 350.0165, inclusive, the Board has submitted the Proposal to the Debt Management Commission of Carson City (the "Commission");

**WHEREAS**, the Commission has heretofore approved the Proposal; and

**WHEREAS**, the Board has determined that the Pledged Revenues will at least equal the amount required in each year for the payment of interest and principal on the Bonds; and

**WHEREAS**, subsection 3 of NRS 350.020 in effect provides that if the payment of a general obligation of the City is additionally secured by a pledge of the revenues of a project to be financed by its issue, and the governing body (i.e., the Board) determines that the pledged revenues will at least equal the amount required in each year for the payment of interest and principal, the City may incur the general obligations without an election, unless a petition requesting an election signed by 5% of the registered voters of the City is presented to the Board within 90 days after the publication of a notice of the adoption of this resolution of intent; and

**WHEREAS**, subsection 3 of NRS 350.020 also requires that a public hearing be held before the Bonds are issued.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF CARSON CITY, NEVADA:**

Section 1. This resolution shall be known as and may be cited by the short title "2014 Resolution of Intent to Issue Sales Tax Bonds" (this "Resolution").

Section 2. The officers of the City be, and they hereby are, authorized and directed to publish a notice of the adoption of the resolution of intent relating to the Board's Proposal

to issue the Bonds in a newspaper of general circulation in the City, at least once, such notice to be published in substantially the following form:

(Form of Notice of Intent for Publication)

**NOTICE OF THE INTENT OF THE BOARD OF SUPERVISORS OF CARSON CITY, NEVADA, TO ISSUE GENERAL OBLIGATION (LIMITED TAX) INFRASTRUCTURE SALES TAX BONDS OF THE CITY ADDITIONALLY SECURED BY PLEDGED REVENUES**

**NOTICE IS HEREBY GIVEN** that the Board of Supervisors of Carson City (the “Board” and the “City”) Nevada, by a resolution, passed, adopted and approved on August 21, 2014, and designated in Section 1 thereof by the short title “2014 Resolution of Intent to Issue Sales Tax Bonds” has proposed the issuance of the City’s general obligation (limited tax) infrastructure sales tax bonds (additionally secured by pledged revenues) (the “Bonds”) designated below, as follows:

**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

The above Proposal was 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 infrastructure projects for the City (as further described in the above Proposal) will be additionally secured by a pledge of the "sales tax pledged revenues." The Board has, in addition, determined, based upon a revenue study, that the sales tax 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.

Based upon these determinations, the Board intends to incur these general obligations as set forth above without an election as provided in subsection 3 of Nevada Revised Statutes ("NRS") 350.020, unless within ninety (90) days after the publication of this notice a petition requesting an election is presented to the Board signed by not fewer than five percent (5%) of the registered voters of the City. The number of registered voters is to be determined as of the close of registration for the last preceding general election.

At a meeting or meetings of the Board, the Board shall proceed to adopt an ordinance authorizing the issuance of the Bonds. Such ordinances authorizing the issuance of the Bonds will be effective unless prior to 9:00 a.m. on November 24, 2014, a petition is presented to the Board asking for an election upon the question of whether or not the proposed Bonds shall be incurred. The petition for an election herein referred to may be presented to the Board at any time prior to the expiration of ninety (90) days after the publication of this notice. In the event such petition is presented, no such ordinance shall be effective except pursuant to an election called and held for such purpose and carried by a majority of the votes cast. In the event no such petition is presented, the Bonds will be authorized as described above. The ordinance or ordinances authorizing the Bonds will, in addition, contain provisions for additionally securing the payment of the general obligations by pledging the sales tax pledged revenues designated above and in the Proposal to the payment of the Bonds.

The authority to issue the Bonds if conferred at an election or if conferred by the fact no petition is presented to the Board requesting such an election within ninety (90) days of the date of publication hereof shall be deemed to be a continuing authority and the Board shall be authorized to sell the Bonds at such time or times and upon such terms and conditions as it deems proper in accordance with the provisions of the Proposal and the laws of the State of Nevada.

All persons interested are hereby advised that further information regarding the projects to be financed by the Bonds, the Bonds and the revenues to be pledged to the Bonds, and all proceedings in the premises, are on file in the office of the City Clerk, 201 North Carson Street, Suite No. 1, Carson City, Nevada, and can be seen and examined by interested persons during the regular office hours of the Clerk.

The determinations by the Board that the pledged revenues will at least equal the amount required in each year for the payment of interest and principal on the Bonds becomes conclusive on the last day for filing the petition, i.e., on November 24, 2014, at 9:00 a.m.

**BY ORDER** of the Board of Supervisors of Carson City, Nevada.

**DATED** this August 21, 2014.

**PUBLICATION DATE:** August 24, 2014.

/s/ Alan Glover

City Clerk

(End of Form of Notice of Intent)



Section 3. The City Clerk is authorized and directed to publish once on or before August 24, 2014, or at such other date as designated by the City Manager or City Finance Director (i.e., at least 10 days before the date of the public hearing described in the following notice) in a newspaper of general circulation in the City a notice of public hearing, at least as large as 5 inches high by 4 inches wide, in substantially the following form:

(Form of Notice of Public Hearing)

**NOTICE OF PUBLIC HEARING ON THE INTENT OF CARSON CITY, NEVADA, TO ISSUE GENERAL OBLIGATION (LIMITED TAX) INFRASTRUCTURE SALES TAX 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 August 21, 2014, and designated in Section 1 thereof by the short title “2014 Resolution of Intent to Issue Sales Tax Bonds” has proposed the issuance of the City’s general obligation (limited tax) infrastructure sales tax bonds (additionally secured by pledged revenues) (the “Bonds”) designated below, as follows:

**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

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 infrastructure projects for the City (as further described in the above Proposal) will be additionally secured by a pledge of the "sales tax pledged revenues." The Board has, in addition, determined, based upon a revenue study, that the sales tax 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 on September 18, 2014 at 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 projects 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 City Clerk, 201 North Carson Street, Suite No. 1, Carson City, Nevada, and can be seen and examined by interested persons during the regular office hours of the City.

BY ORDER of the Board of Supervisors, Carson City, Nevada.

DATED this August 21, 2014.

PUBLICATION DATE: August 24, 2014.

/s/ Alan Glover City Clerk  
Carson City, Nevada

(End of Form of Notice of Public Hearing)

Section 4. A public hearing on the Bonds is hereby ordered to be held before the Board at the time, date and place specified in the notice set forth in Section 3 hereof, or at such date designated by the City Manager or City Finance Director.

Section 5. The Bonds, in the event no petition is filed during the period allowed by NRS 350.020(3), shall be authorized by an ordinance or ordinances to be effective after the expiration of the 90-day petition period.

Section 6. The authority to issue the Bonds shall be deemed and considered a continuing authority to issue and deliver the Bonds designated in such Proposal at one time or from time to time, in one series or in more than one series, all as ordered by the Board. Neither the partial exercise of the authority so conferred nor the lapse of time shall be considered as exhausting or limiting the full authority so conferred.

Section 7. The City Manager or City Finance Director or a designee is hereby authorized to arrange for the issuance and sale of the Bonds in the aggregate principal amount of not more than \$13,600,000, in accordance with the City's debt management policy, the Project Act and the Bond Act.

Section 8. The City Manager or the City Finance Director shall, after arranging for the sale of the Bonds, present the terms of the Bonds to the Board for its approval by adoption of the ordinance authorizing the issuance of the Bonds.

Section 9. The officers of the City be, and they hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution, including without limitation, assembling of financial and other information concerning the City, the Pledged Revenues and the Bonds, and, if applicable, circulating a preliminary official statement, a notice of bond sale for the Bonds, or both, in the forms specified by the City Manager, or his designee. If applicable, the City Manager or his designee is authorized to deem the preliminary official statement to be a "final" official statement on behalf of the City for the purposes of Rule 15(c)212 of the Securities and Exchange Commission.

Section 10. 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 11. 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 12. This Resolution shall become effective and be in force immediately upon its adoption.

PASSED AND APPROVED BY AT LEAST A TWO-THIRDS MAJORITY OF THE BOARD OF SUPERVISORS OF CARSON CITY, NEVADA, this August 21, 2014.

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Mayor

Attest:

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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 passed and adopted by the Board of Supervisors of the City (the “Board”) at a meeting of the Board held on August 21, 2014, a copy of which is set forth therein.

2. 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 journal of the Board kept for that purpose in my office, which record has been duly signed by the officers and properly sealed.

3. The members of the Board voted on the passage of the resolution as set forth below:

Those Voting Aye: \_\_\_\_\_

Those Voting Nay: \_\_\_\_\_

Those Absent: \_\_\_\_\_

4. All members of the Board were given due and proper notice of such meeting. Pursuant to NRS 241.020, Nevada Revised Statutes, written notice of the meeting including the time, place, location, and agenda of the meeting was given:

(a) By delivering a copy of the notice to each member of the Board;

(b) By posting a copy of the notice on the City’s website, on the State of Nevada’s official website, at the principal office of the Board, or if there is not principal office, at the building in which the meeting is to be held, and at least three other separate, prominent places within the jurisdiction of the Board, to-wit:

(i) Community Center  
851 East William  
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

and

(c) By delivering a copy of the notice to each person, if any, who has requested notice of the meetings of the Board in the accordance with the provisions of Chapter 241 of NRS.

5. A copy of such notice as posted and delivered is attached hereto as Exhibit A. A copy of an affidavit of publication of the notice of resolution of intent is attached hereto as Exhibit B, and a copy of an affidavit of publication of the notice of public hearing is attached hereto as Exhibit C.

**IN WITNESS WHEREOF**, I have hereunto set my hand this August 21, 2014.

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Clerk

**EXHIBIT "A"**

**(Attach Copy of Notice of Meeting)**



**EXHIBIT "B"**

**(Attach Affidavit of Publication of Notice of Resolution of Intent)**

**EXHIBIT "C"**

**(Attach Affidavit of Publication of Notice of Hearing)**

**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%.