

**NOTICE OF PUBLIC MEETING
CARSON CITY DEBT MANAGEMENT COMMISSION**

**MONDAY, JUNE 19, 2017
1:30 P.M.**

**COMMUNITY CENTER SIERRA ROOM
851 EAST WILLIAM STREET
CARSON CITY, NEVADA**

AGENDA

- A. CALL TO ORDER AND DETERMINATION OF A QUORUM**
- B. PUBLIC COMMENT. ** The public is invited, at this time, to comment on and discuss any topic that is relevant to or within the authority of the Carson City Debt Management Commission.**
- C. For Possible Action: APPROVAL OF MINUTES - February 14, 2017**
- D. For Possible Action: DISCUSSION AND POSSIBLE ACTION TO ADOPT A RESOLUTION CONCERNING THE SUBMISSION TO THE CARSON CITY DEBT MANAGEMENT COMMISSION OF A PROPOSAL TO ISSUE GENERAL OBLIGATION SEWER BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$6,000,000; CONCERNING ACTION TAKEN THEREON BY THE COMMISSION**
- E. Information Only: THE NEXT COMMISSION MEETING IS SCHEDULED FOR TUESDAY, AUGUST 15, 2017 AT 1:30 P.M.**
- F. PUBLIC COMMENT. ** The public is invited, at this time, to comment on any matter that is not specifically included on the agenda as an action item. No action may be taken on a matter raised under this item of the agenda.**
- G. For Possible Action: ADJOURNMENT**

**** PUBLIC COMMENT LIMITATIONS -** *The Carson City Debt Management Commission will provide at least two public comment periods in compliance with the minimum requirements of the Nevada Open Meeting Law prior to adjournment. In addition, it is the Commission's aspirational goal to also provide for item-specific public comment as follows: In order for members of the public to participate in the public body's consideration of an agenda item, the public is strongly encouraged to comment on an agenda item when called for by the chair during the item itself. No action may be taken on a matter raised under public comment unless the item has been specifically included on the agenda as an item upon which action may be taken. The chair also retains discretion to only provide for the Open Meeting Law's minimum public comment and not call for or allow additional individual-item public comment at the time of the body's consideration of an item when: (1) it is deemed necessary by the chair to the orderly conduct of the meeting; (2) it involves an off-site non-action facility tour agenda item; or (3) it involves any person's or entity's due process appeal or hearing rights provided by statute or the Carson City Municipal Code.*

AGENDA MANAGEMENT NOTICE: *Items on the agenda may be taken out of order; the public body may combine two or more agenda items for consideration; and the public body may remove an item from the agenda or delay discussion relating to an item on the agenda at any time.*

The agenda and supporting materials are available on the City's website at www.carson.org/agendas, and on the State's website at <https://notice.nv.gov>; the agenda and backup materials are also available at the Carson City Clerk's Office, Recording Secretaries Division, 885 East Musser Street, Suite 1032, Carson City, Nevada. To request a copy of the supporting materials, please contact Kathy King at kking@carson.org or call 775-283-7412.

PLEASE NOTE: Posting on Carson City's website of supporting materials for its public meetings, other than such postings pertinent to the Board of Supervisors' meetings, is not required. The posting of supporting materials on the City's website is a courtesy and no rights are thereby bestowed. Late materials or materials distributed during the public meeting will be incorporated into the public record and can be made available upon request.

NOTICES: THE CARSON CITY DEBT MANAGEMENT COMMISSION IS PLEASED TO MAKE REASONABLE ACCOMMODATIONS FOR ANY CITIZEN WHO WISHES TO ATTEND THIS MEETING. IF SPECIAL ARRANGEMENTS FOR THE MEETING ARE NECESSARY, PLEASE NOTIFY THE CARSON CITY CLERK'S OFFICE, IN WRITING, AT 885 EAST MUSSER STREET, SUITE 1032, CARSON CITY, NEVADA, OR CALL KATHY KING AT 775-283-7412, AT LEAST 24 HOURS IN ADVANCE.

THIS NOTICE WAS POSTED AT THE FOLLOWING LOCATIONS BEFORE 9:00 A.M.

ON WEDNESDAY, JUNE 14, 2017:

Carson City Hall, 201 North Carson Street

Carson City Courthouse, 885 East Musser Street

Carson City Library, 900 North Roop Street

Carson City Community Center, 851 East William Street

Carson City Permit Center, 108 East Proctor Street

on the City's website: www.carson.org

and on the State's website: <https://notice.nv.gov>

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A regular meeting of the Carson City Debt Management Commission was scheduled for 1:30 p.m. on Tuesday, February 14, 2017 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Chairperson Don Hataway
Commissioner John Barrette
Commissioner Stacey Giomi
Commissioner Maud Naroll
Commissioner Ron Swirczek

STAFF: Nancy Paulson, Chief Financial Officer
Adriana Fralick, Chief Deputy District Attorney
Kathleen King, Chief Deputy Clerk

NOTE: A recording of these proceedings, the commission's agenda materials, and any written comments or documentation provided to the Clerk, during the meeting, are part of the public record. These materials are available for review, in the Recording Secretaries Division of the Carson City Clerk's Office, during regular business hours

A. CALL TO ORDER AND DETERMINATION OF A QUORUM (1:33:45) - Chairperson Hataway called the meeting to order at 1:33 p.m. Ms. King called the roll; a quorum was present.

B. PUBLIC COMMENT (1:34:05) - Chairperson Hataway entertained public comment; however, none was forthcoming.

C. POSSIBLE ACTION TO APPOINT STACEY GIOMI TO FILL A CITIZEN AT LARGE POSITION ON THE COMMISSION, PURSUANT TO THE PROVISIONS OF NRS 350.0115(3) (1:34:20) - Chairperson Hataway introduced this item, and provided an overview of the agenda materials. Chairperson Hataway entertained a motion. **Commissioner Swirczek moved to appoint Stacey Giomi to fill the citizen-at-large position on the commission. Commissioner Barrette seconded the motion.** Chairperson Hataway called for a vote on the pending motion. **Motion carried 2-0.** At Chairperson Hataway's request, Ms. King administered the Oath of Office to Commissioner Giomi.

D. ACTION ON APPROVAL OF MINUTES - August 9, 2016 (1:36:25) - Due to a lack of a quorum to approve the minutes, Ms. Fralick directed that the minutes would be submitted by the Clerk's office and made a part of the record.

E. DISCUSSION AND POSSIBLE ACTION TO ACCEPT THE NEVADA DEPARTMENT OF TAXATION'S ANNUAL LOCAL GOVERNMENT INDEBTEDNESS REPORT AS OF JUNE 30, 2016 (1:37:51) - Chairperson Hataway introduced and provided an overview of this item. Following a brief discussion, Chairperson Hataway entertained a motion. **Commissioner Naroll moved to accept the Nevada Department of Taxation's Annual Local Government Indebtedness Report, as of June 30,**

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2016, despite a typographical error in the report. Commissioner Barrette seconded the motion. Motion carried 5-0.

F. DISCUSSION AND POSSIBLE ACTION TO SCHEDULE THE NEXT COMMISSION MEETING (1:43:38) - Chairperson Hataway introduced this item, and referred to the agenda materials. Following a brief discussion, consensus of the commission was to schedule the next meeting for Tuesday, August 15th at 1:30 p.m.

G. PUBLIC COMMENT (1:44:52) - Chairperson Hataway entertained public comment; however, none was forthcoming.

H. ACTION TO ADJOURN (1:45:02) - Chairperson Hataway adjourned the meeting at 1:45 p.m.

This Minutes of the February 14, 2017 Carson City Debt Management Commission are so approved this _____ day of June, 2017.

DON HATAWAY, Chair

RESOLUTION NO. _____

A RESOLUTION CONCERNING THE SUBMISSION TO THE CARSON CITY DEBT MANAGEMENT COMMISSION OF A PROPOSAL TO ISSUE GENERAL OBLIGATION SEWER BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES); 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 sewer bonds (additionally secured by sewer pledged revenues); and

WHEREAS, based on a sewer revenue study presented to the Board, the Board determined that the sewer pledged revenues will at least equal the amount required in each year for the payment of interest and principal on such general obligation sewer 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 sewer bonds for the term thereof (the “Finding”); and

WHEREAS, the Board proposes to incur the general obligation sewer 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 SEWER 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 sewer bonds, in one series or more, in the

aggregate principal amount of not exceeding \$6,000,000 for the purpose of acquiring, constructing, improving and equipping City sewerage projects as defined in NRS 244A.0505, which includes drainage and flood control projects, 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 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 Finding; 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 "2017 Carson City Sewer Bond 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 sewer bonds proposed by the City and the Finding 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 June 19, 2017.

Attest:

Chairman
Debt Management Commission

City Clerk ex officio Secretary
Debt Management Commission

STATE OF NEVADA)
) ss.
CARSON CITY)

I am the duly chosen, qualified and acting City Clerk 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 June 19, 2017.

2. All members of the Board were given due and proper notice of such meeting and voted on such 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 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. Pursuant to and in full compliance with NRS 241.020, 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 Commission;

(b) By posting a copy of the notice on the Commission's website and the State of Nevada's official website; at the principal office of the Commission, or if there is not a 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 Commission, to-wit:

- (i) Carson City Community Center
851 East William Street
Carson City, Nevada
- (ii) Carson City Hall
201 North Carson Street
Carson City, Nevada
- (iii) Carson City Courthouse
885 East Musser Street
Carson City, Nevada
- (iv) Carson City Library
900 North Roop Street
Carson City, Nevada
- (v) Carson City Community Development Department
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 Commission in 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.

IN WITNESS WHEREOF, I have hereunto set my hand this June 19, 2017.

Secretary

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

**\$6,000,000
Carson City, Nevada
General Obligation (Limited Tax) Sewer Bonds
(Additionally Secured by Pledged Revenues)
Series 2017B**

EXECUTIVE SUMMARY

Carson City, Nevada (the "City") is proposing to issue \$6,000,000* in General Obligation (Limited Tax) Sewer Bonds (Additionally Secured by Pledged Revenues) (the "Proposed Bonds"). The City has no outstanding general obligation debt paid from property taxes. It has \$170,041,175 of revenue supported general obligation debt and \$6,540,800 of medium-term general obligation debt outstanding or authorized but unissued as of June 1, 2017. The City is proposing to issue \$6,000,000 of revenue supported general obligation debt as described herein. The City will pledge the net revenues generated by the operation of its sewer and drainage systems (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 2016-17 is \$3.5200. The City anticipates the highest overlapping tax rate within the City for fiscal year 2017-18 will be \$3.5700. The following document details how the Proposed Bonds fit within the criteria outlined in Nevada Revised Statutes ("NRS") 350.015.

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EXHIBIT I

PROJECT SUMMARY

The City intends to use the proceeds of the Proposed Bonds to defray wholly or in part the cost of acquiring, constructing, improving, and equipping sewerage projects as defined in NRS 244A.0505, which includes drainage and flood control projects.

EXHIBIT II

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)

EXHIBIT III

FINANCIAL INFORMATION PRESENTATION

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.

DEBT LIMITATION AND OUTSTANDING GENERAL OBLIGATION INDEBTEDNESS

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 2016-17 of \$1,511,939,926 (including the Carson City Redevelopment Agency in the amount of \$66,785,153) is \$226,790,989. The City anticipates that the combined assessed valuation for fiscal year 2017-18 will increase to \$1,578,809,029.

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

OUTSTANDING AND UNISSUED GENERAL OBLIGATION DEBT
Carson City, Nevada
June 1, 2017

	Date Issued	Maturity Date	Original Amount	Amount Outstanding
GENERAL OBLIGATION DEBT¹				
GENERAL OBLIGATION MEDIUM-TERM BONDS				
Various Purpose, Series 2012	07/18/12	09/01/19	\$4,259,800	\$785,800
Various Purpose, Series 2014	06/04/14	06/01/24	2,651,000	1,915,000
Various Purpose, Series 2017 (unissued)	07/06/17	06/01/27	3,840,000	<u>3,840,000</u>
SUB-TOTAL				\$6,540,800
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	\$2,297,297
Water, Series 2010A	07/14/10	11/01/39	10,100,000	10,100,000
Water, Series 2010B	07/14/10	11/01/21	7,095,000	4,130,000
Water, Series 2010E	10/22/10	07/01/30	21,900,000	18,122,527
Water, Series 2012A	03/22/12	11/01/31	15,315,000	12,325,000
Water, Series 2014A	04/02/14	01/01/34	6,000,000	5,859,384
Water, Series 2014C	10/07/14	06/01/25	5,337,000	<u>4,610,000</u>
SUB-TOTAL				\$57,444,208
<i>Sewer Revenue Supported Bonds</i>				
Sewer, Series 1998	08/01/98	07/01/18	\$6,096,302	\$657,576
Sewer, Series 2010D	07/14/10	11/01/29	2,690,000	905,000
Sewer, Series 2010F	10/22/10	07/01/30	2,748,556	2,167,391
Sewer, Series 2012B	03/22/12	11/01/31	5,935,000	3,595,000
Sewer, Series 2014B	04/02/14	01/01/34	24,750,000	24,750,000
Sewer, Series 2014D	10/07/14	06/01/25	3,638,000	3,062,000
Sewer, Series 2015A	07/10/15	07/01/35	12,000,000	12,000,000 ³
Sewer, Series 2015B	08/03/15	11/01/34	6,245,000	<u>5,790,000</u>
SUB-TOTAL				\$52,926,967
<i>Other Revenue Supported Bonds</i>				
Various Purpose Refunding, Series 2010	12/22/10	06/01/21	\$4,705,000	1,850,000
Park Refunding, Series 2010	12/22/10	11/01/18	2,505,000	710,000
Capital Improvement Refunding, Series 2013A	05/30/13	05/01/30	16,520,000	13,715,000
V&T Historical Refunding, Series 2013B	05/30/13	06/01/23	3,350,000	2,200,000
Parks Refunding, Series 2013C	05/30/13	03/01/30	6,555,000	6,425,000
V&T Historical Refunding, Series 2014E	12/17/14	12/01/25	8,400,000	7,680,000
Infrastructure Sales Tax, Series 2014F	12/17/14	09/01/44	13,600,000	13,340,000
Capital Improvement, Series 2015C	08/03/15	05/01/33	15,410,000	<u>13,750,000</u>
SUB-TOTAL				\$59,670,000
TOTAL GENERAL OBLIGATION DEBT OUTSTANDING				\$176,581,975

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.
- ³ The City has authorization for \$12,000,000, it has drawn \$8,179,755 as of June 1, 2017. The City makes interest only payments on the actual principal drawn until its final draw, completion of the project, or until three years from the date of issuance, whichever occurs first.

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

PROPOSED GENERAL OBLIGATION DEBT
As of June 1, 2017

Proposed Bonds	Issuance Date	Proposed Amount
Sewer Bonds (this issue)	10/2017	\$6,000,000

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. The City anticipates that the total assessed valuation will increase for fiscal year 2017-18.

STATUTORY DEBT CAPACITY
Carson City, Nevada
June 1, 2017

Total Assessed Valuation (including redevelopment agency)	\$1,511,939,926
Statutory Debt Limitation (15%)	\$226,790,989
Outstanding General Obligation Indebtedness	\$176,581,975
Plus: Proposed Bonds	<u>6,000,000</u>
Outstanding and Proposed General Obligation Indebtedness	\$182,581,975
Additional Statutory Debt Limitation	\$44,209,014

SOURCE: State of Nevada Department of Taxation and the City

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. The City will pledge in the bond ordinance to maintain rates and charges of its sewer system and drainage system at levels that will provide for payment of operation and maintenance of the facilities and for payment of principal and interest on the City's outstanding 1998 Sewer Bonds, 2010D Sewer Bonds, 2010F Sewer Bonds, 2012B Sewer Bonds, 2014B Sewer Bonds, 2014D Sewer Bonds, 2015A Sewer Bond, and 2015B Sewer Bonds (collectively, the "Outstanding Sewer Bonds"), and the Proposed Sewer Bonds. Additionally, a portion of the 2012 Various Purpose Medium-Term Bond was issued for sewer and drainage projects (the "2012 Medium-Term Bond"). The 2012 Medium-Term Bond is not secured by Pledged Revenues, but is anticipated to be paid from Pledged Revenues. The 2012 Medium-Term Sewer Bond is payable from any legally available funds of the City, including the general fund. The City anticipates that the Pledged Revenues will be sufficient to repay the Proposed Bonds, the Outstanding Sewer Bonds, and the portions of the 2012 Medium-Term Bond issued for sewer and drainage projects, 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 Sewer Bonds, and Proposed Sewer Bonds with the Pledged Revenues.

The following table provides the debt service requirements of the City's Outstanding Sewer Bonds secured by the Pledged Revenues and the pro forma debt service requirements of the Proposed Bonds. The Proposed Bonds will be issued on a parity lien to the Outstanding Sewer Bonds.

OUTSTANDING AND PRO FORMA SEWER SYSTEM BONDED DEBT SERVICE REQUIREMENTS
June 1, 2017

Fiscal Year Ending June 30	Outstanding Sewer Bonds ¹			Proposed Sewer Bonds			
	Principal	Interest ²	Subtotal	Principal	Interest ³	Subtotal	Grand Total
2018 ⁴	\$2,657,997	\$1,524,618	\$4,182,615	\$0	\$100,000	\$100,000	\$4,282,615
2019	3,076,701	1,442,594	4,519,295	200,000	236,000	436,000	4,955,295
2020	2,933,129	1,356,642	4,289,771	210,000	227,800	437,800	4,727,571
2021	3,023,609	1,270,539	4,294,148	215,000	219,300	434,300	4,728,448
2022	3,116,463	1,180,334	4,296,797	225,000	210,500	435,500	4,732,297
2023	3,205,728	1,085,729	4,291,457	235,000	201,300	436,300	4,727,757
2024	3,311,441	987,709	4,299,150	245,000	191,700	436,700	4,735,850
2025	3,113,642	892,285	4,005,927	255,000	181,700	436,700	4,442,627
2026	2,780,371	799,719	3,580,090	265,000	171,300	436,300	4,016,390
2027	2,865,669	714,959	3,580,628	275,000	160,500	435,500	4,016,128
2028	2,952,577	627,414	3,579,991	285,000	149,300	434,300	4,014,291
2029	3,041,139	537,027	3,578,166	300,000	137,600	437,600	4,015,766
2030	3,136,399	446,700	3,583,099	310,000	125,400	435,400	4,018,499
2031	3,034,010	358,505	3,392,515	320,000	112,800	432,800	3,825,315
2032	3,025,015	273,070	3,298,085	335,000	99,700	434,700	3,732,785
2033	2,946,029	189,334	3,135,363	350,000	86,000	436,000	3,571,363
2034	3,028,820	105,958	3,134,778	365,000	71,700	436,700	3,571,478
2035	1,262,300	32,757	1,295,057	380,000	56,800	436,800	1,731,857
2036	415,928	4,929	420,857	395,000	41,300	436,300	857,157
2037	0	0	0	410,000	25,200	435,200	435,200
2038	0	0	0	425,000	8,500	433,500	433,500
TOTAL	\$52,926,967	\$13,830,822	\$66,757,789	\$6,000,000	\$2,814,400	\$8,814,400	\$75,572,189

¹ Excludes the 2012 Medium-Term Bond. Excludes BAB subsidy payments received by the City. Includes pro-forma debt service on the City's 2015A Sewer Bond.

² Excludes BAB subsidy payments received by the City.

³ Interest rate estimated at 4.00%.

⁴ Includes all payments to be made in Fiscal Year 2018.

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

PLEDGED REVENUE AND COVERAGE OF SEWER SYSTEM BONDED DEBT SCHEDULE
Carson City, Nevada

	Fiscal Year				
	2014 (Audited)	2015 (Audited)	2016 (Audited)	2017 (Estimated)	2018 (Budgeted)
GROSS REVENUE					
Operating Revenues:					
Sewer System Operating	\$8,391,386	\$10,015,582	\$11,426,700	\$12,905,747	\$14,837,878
Drainage System	<u>1,333,434</u>	<u>1,395,114</u>	<u>1,391,102</u>	<u>1,396,316</u>	<u>1,396,316</u>
Total Operating Revenues	\$9,724,820	\$11,410,696	\$12,817,802	\$14,302,063	\$16,234,194
Non-Operating Revenues:					
Interest Income	\$12,903	\$10,763	\$76,237	\$25,012	\$11,500
Misc./Intergovernmental	750	0	21,669	23,000	23,000
Connection Fees	<u>33,851</u>	<u>40,932</u>	<u>60,408</u>	<u>175,000</u>	<u>65,000</u>
Total Non-Operating Revenues	\$47,504	\$51,695	\$158,314	\$223,012	\$99,500
EXPENSES¹					
Operating & Maint. Expenses					
Salaries & Benefits	\$2,436,574	\$2,357,488	\$2,375,518	\$2,559,213	\$2,737,873
Services & Supplies	<u>3,710,130</u>	<u>3,772,320</u>	<u>3,745,988</u>	<u>4,413,393</u>	<u>4,800,773</u>
TOTAL OPERATING EXPENSES	\$6,146,704	\$6,129,808	\$6,121,506	\$6,972,606	\$7,538,646
NET PLEDGED REVENUES	\$3,625,620	\$5,332,583	\$6,854,610	\$7,552,469	\$8,795,048
Debt Service					
Existing	\$2,757,288	\$3,097,251	\$3,414,424	\$3,334,953	\$4,519,295 ²
Proposed	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>436,000²</u>
Total Debt Service	\$2,757,288	\$3,097,251	\$3,414,424	\$3,334,953	\$4,955,295
COVERAGE⁴	1.31	1.72	2.01	2.26	1.77

¹ Excludes depreciation.

² For Fiscal Year 2018, represents maximum annual debt service occurring in Fiscal Year 2019.

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 Sewer Bonds, and 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 2016-17, the highest overlapping tax rate in Carson City is \$3.5200. The City anticipates that the highest overlapping tax rate will increase to \$3.5700 for fiscal year 2017-18. 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.

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:

Nancy Paulson, Chief Financial Officer
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775-283-7142