



# CITY OF FERNLEY

## CITY COUNCIL AGENDA REPORT

**Meeting Date: May 6, 2020**

**REPORT TO:** Mayor and City Council  
**REPORT THRU:** **Daphne Hooper, City Manager**  
**REPORT FROM:** **Denise Lewis, City Treasurer**  
**REVIEWED BY:** Daphne Hooper, City Manager  
**REVIEWED BY:** Brent Kolvet, Deputy City Attorney

**FINANCIAL IMPACT:**

Yes:  No:

**CURRENTLY BUDGETED:**

Yes:  No:

**FUND/ACCOUNT:**

510-800-861 & 520-800-861

**ACTION REQUESTED:**  Consent  Ordinance  Resolution  Motion  Receive/File

**AGENDA ITEM: Staff Report:**

**Discussion and Possible Action to Approve the Fifth Amendment to Contract for Services of Independent Contractor Between Sherman & Howard, LLC and the City of Fernley.**

The City has contracted with Sherman & Howard, LLC. many times in the past to act as Bond Counsel for the City.

Services provided by Sherman & Howard, LLC. consist of offering independent legal advice, review and preparation of documents related to City debt.

This agreement would allow Sherman & Howard, LLC. to provide legal services as they relate to the City of Fernley, Nevada, General Obligation (Limited Tax) Water and Sewer Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2020.

**Recommended Motion:**

**I move to approve the Fifth Amendment to Contract for Services of Independent Contractor Between Sherman & Howard, LLC and the City of Fernley.”**

**Business Impact (per NRS Chapter 237):**

A Business Impact Statement is Attached.

A Business Impact Statement is not required because this is not a rule (term excludes vehicles by which legislative powers are exercised under NRS Chapters 271, 278, 278A, or 278B).

**See attached report for background, analysis, alternatives.**

**ALTERNATIVES:** To not approve the contract.

**BACKGROUND:** This contract is for legal services rendered for the purpose of refunding the Water and Sewer bond series 2014 for debt service savings. The current balance of \$12,120,000 is amortized at a rate of 2.48% through 2/1/2026. The City has an opportunity to refinance these bonds at a lower rate and save approximately \$400,000 in interest over the remainder of the term. This will be accomplished as the City's bond consultant/advisor has requested competitive bids from the banks to see which will provide the best rate at this time. Please see the attached engagement letter for the scope of legal services.

**LEGAL IMPLICATIONS:** NRS 268.672 to 268.740 and NRS 350.500 to 350.720

**FINANCIAL IMPLICATIONS:** Savings of approximately \$400,000 in water and sewer interest costs and Sherman & Howard bond issuance costs of \$40,000 to \$45,000.

**ATTACHMENTS:**

Fifth Amendment to Contract for Services for work related the City of Fernley, Nevada, General Obligation (Limited Tax) Water and Sewer Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2020.

Engagement Letter for the same.