



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: Ryan Henry, Bond Counsel

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: Introduction and Adoption of Bill No. 285

For possible action — Discussion and possible action on an ordinance providing for the issuance of the City of Fernley, Nevada, General Obligation (Limited Tax) Water and Sewer Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2020, in the aggregate principal amount not to exceed \$12,500,000; providing the form, terms and conditions thereof and covenants relating to the payment of the Bonds; and providing for adoption of the ordinance as if an emergency exists.

Recommended Motion:

I move to approve “Bill #285 authorizing the issuance of the City of Fernley, Nevada, General Obligation (Limited Tax) Water and Sewer Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2020, in the aggregate principal amount not to exceed \$12,500,000; providing the form, terms and conditions thereof and covenants relating to the payment of the Bonds; and providing for adoption of the ordinance as if an emergency exists.”

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).

ALTERNATIVES: To not approve the Ordinance.

BACKGROUND: With the recent reduction in interest rates, the City has the opportunity to refinance a portion of its outstanding general obligation water and sewer bonds at a lower interest rate through a direct bank placement. Council may authorize the issuance of refunding bonds to refund, pay and discharge all or any part of the 2014 Series outstanding bonds for the purpose of reducing interest costs or effecting other economies.

City staff recommends that City Council approve Bill #285 authorizing the issuance of the City of Fernley, Nevada, General Obligation (Limited Tax) Water and Sewer Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2020, in the aggregate principal amount not to exceed \$12,500,000; providing the form, terms and conditions thereof and covenants relating to the payment of the Bonds; and providing for adoption of the ordinance as if an emergency exists.

LEGAL IMPLICATIONS: NRS Chapter 268, including 268.672 through 268.740; and NRS Chapter 350 including 350.500 through 350.720

FINANCIAL IMPLICATIONS: Savings of water and sewer interest costs of approximately \$400,000 (net of consulting and legal costs not to exceed \$75,000).

ATTACHMENTS:

ORDINANCE NO. 2020-006, BILL NO. 285