

Summary - a resolution directing notice to the Washoe County Debt Management Commission.

RESOLUTION NO. _____

A RESOLUTION CONCERNING THE FINANCING OF SEWERAGE PROJECTS FOR THE CITY OF RENO; DIRECTING THE CITY CLERK TO NOTIFY THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION OF THE CITY'S PROPOSAL TO ISSUE GENERAL OBLIGATION (LIMITED TAX) SEWER BONDS ADDITIONALLY SECURED BY PLEDGED REVENUES IN THE MAXIMUM PRINCIPAL AMOUNT OF \$70,000,000; PROVIDING CERTAIN DETAILS IN CONNECTION THEREWITH; AND PROVIDING THE EFFECTIVE DATE HEREOF.

WHEREAS, the City of Reno in the State of Nevada (the "City" and "State," respectively) is a political subdivision of the State duly organized and operating as a city under the provisions of an act entitled "AN ACT incorporating the City of Reno, in Washoe County, Nevada, and defining the boundaries thereof, under a new charter, and providing other matters properly relating thereto," cited as Chapter 662, Statutes of Nevada 1971, and all laws amendatory thereof (the "Charter"); and

WHEREAS, the Charter and Nevada Revised Statutes ("NRS") 268.672 to 268.740, inclusive (the "City Bond Law"), provide that the City may borrow money to acquire, improve, equip and maintain a sewerage project as defined in NRS 268.714 (the "Project") and for such purpose may issue bonds or other securities pursuant to the Local Government Securities Law (being cited as NRS 350.500 through 350.720 (the "Bond Act"), and the City Council (the "Council") hereby determines and declares that the Project is a municipal purpose within the meaning of the provisions; and

WHEREAS, the Council pursuant to NRS 350.020(3) (subject to the approval of the proposal to issue general obligation bonds by the Washoe County Debt Management Commission), proposes to issue general obligation sewer bonds additionally secured by a pledge of the net revenues of the City's municipal sanitary sewer system (the "Bonds") of which the Project is a part (the "Pledged Revenues"); and

WHEREAS, based on the revenue study presented to the Council, which is attached hereto as Exhibit B, the Council hereby determines that the Pledged Revenues will at least equal the amount required in each year for the payment when due of interest and principal on the Bonds and that no increase in the rate of an ad valorem tax is anticipated to be necessary for the payment of such Bonds for the term thereof (the "Finding"); and

WHEREAS, the Council proposes to incur the Bonds (subject to the approval of the proposal to issue general obligation bonds by the Washoe County Debt Management Commission) without an election unless a petition signed by the requisite number of registered voters of the City is presented to the Council requiring the Council to submit to the qualified electors of the City for their approval or disapproval, the following proposal (the "Proposal"):

GENERAL OBLIGATION (LIMITED TAX) SEWER BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) PROPOSAL:

Shall the City Council of the City of Reno, 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 (limited tax) sewer bonds, in one series or more, in the aggregate principal amount of not exceeding \$70,000,000 for the purpose of acquiring, improving, equipping and maintaining a sewerage project as defined in NRS 268.714, such bonds to mature commencing not later than five (5) years from the date or respective dates of the bonds and ending not later than thirty (30) years therefrom, 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, as shall be determined at the time of the sale thereof, not exceeding the statutory maximum rate, if any, in effect at the time bonds are sold 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 Council 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?

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 [debt management] 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 CITY COUNCIL OF THE CITY OF RENO, NEVADA:

Section 1. Based on the revenue study presented to the Council, the Council hereby approves the Finding and finds that no increase in the rate of an ad valorem tax is anticipated to be necessary for the payment of the Bonds described in the Proposal for the term thereof and requests the Washoe County Debt Management Commission (the "Commission") to approve the Proposal and the Finding. All action, proceedings, matters and things heretofore taken, had and done by the Council, and the officers thereof (not inconsistent with the provisions of this resolution) directed toward the Finding, the Proposal, the Project, and the financings thereof be, and the same hereby are, ratified, approved and confirmed.

Section 2. The City Clerk be, and hereby is, authorized and directed to notify the Secretary of the Commission of the City's Proposal; to submit to the Secretary a statement of the Proposal and Finding in sufficient number of copies for each member of the Commission; and to request the Commission to consider and approve the Proposal and the Finding. The City's Director of Finance or 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 Bonds, in one or more series, the Council 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 Bonds for financing the Project and to reimburse those expenditures from the issuance of the Bonds; and

(b) The maximum principal amount of the Bonds expected to be issued to reimburse such expenditures is \$70,000,000.

This resolution is intended to be a declaration of "official intent" to reimburse expenditures within the meaning of Treasury Regulation Section 1.150-2.

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, including without limitation, requesting the State to purchase the Bonds pursuant to one or more of its programs.

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 March 13, 2024.

(SEAL)

Hillary Schieve, Mayor
City of Reno

Attest:

Mikki Huntsman, City Clerk

STATE OF NEVADA)
) ss.
CITY OF RENO)

A. I am the duly chosen and qualified City Clerk of the City of Reno (herein "City"), Nevada, and in the performance of my duties as Clerk do hereby certify:

1. The foregoing pages constitute a true, correct and compared copy of a resolution passed and adopted by the City Council at a meeting held on March 13, 2024. The original of such resolution has been approved and authenticated by the signature of the Mayor and myself as Clerk, and has been recorded in the minutes of the Council kept for that purpose in my office, which record has been duly signed by such officers and properly sealed.

2. The members of the City Council were present at the meeting on March 13, 2024 and voted on the passage of the resolution as follows:

Those Voting Aye:

Those Voting Nay:

Those Abstaining:

Those Absent:

B. The undersigned representative of the City Manager's Office does hereby certify:

1. All members of the Council were given due and proper notice of the meeting held on March 13, 2024.

2. 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 (attached hereto as Exhibit A).

4. The revenue study referred to in the attached resolution is attached as Exhibit B.

IN WITNESS WHEREOF, I have hereunto set my hand on March 13, 2024.

City Clerk

IN WITNESS WHEREOF, I have hereunto set my hand on March 13, 2024.

Representative City Manager's Office

EXHIBIT A

(Attach Copy of Notice of Meeting)

EXHIBIT B

(Attach Revenue Study)