



## City Council Regular Meeting AGENDA ITEM

NUMBER: 27

**SUBJECT:**

Ordinance No. 3223: An Ordinance Authorizing the Issuance by the City of North Las Vegas, Nevada, of Its General Obligation (Limited Tax) Water and Wastewater Reclamation System Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2024B; and Providing Other Matters Related Thereto. (Citywide) (Set Final Action for November 6, 2024)

**REQUESTED BY:**

William V. Riggs, Finance Director

**WARD:**

(Citywide)

**RECOMMENDATION OR RECOMMEND MOTION:**

Staff recommends that City Council introduce Ordinance No. 3223 on October 16, 2024 and pass and adopt Ordinance No. 3223 on November 6, 2024.

**FISCAL IMPACT:**

**Amount:**

Explanation: Pursuant to the City's Debt Management Policy, a 3% present value savings must be achieved prior to the refunding of outstanding bonds can be undertaken. The 3% present value savings have not been met at this time; however it's anticipated the bond market will be more conducive to undertaking that transaction later in the year.

**ACCOUNT NUMBER:**

Fund 610

**STAFF COMMENTS AND BACKGROUND INFORMATION:**

On June 17, 2010, the City Council authorized the issuance of \$145 million in Water and Wastewater Improvement Bonds, Series 2010A (Series 2010 Bonds), for the purpose of acquiring, constructing, improving and equipping the City's Wastewater Reclamation Facility, which became operational in 2012. The Bonds were issued for a 30-year term with an interest rate ranging from 4.13% to 6.572%.

Currently, the amount of outstanding Series 2010 Bonds totals \$123,135,000 and the interest rate on those unpaid Bonds ranges between 6.122% and 6.572%. Of this amount, staff is recommending \$31,250,000 be refinanced through the State of Nevada Department of Conservation and Natural Resources in connection with a loan through the State Revolving Loan Fund Program at an interest rate less than 3% pursuant to Ordinance No. 3222.

For the remaining amount of outstanding Series 2010 Bonds, the attached Ordinance No. 3223 sets the terms and conditions for the issuance and sale of refunding bonds in an amount not-to-exceed \$100 million with Wells Fargo Corporate & Investment Banking (Wells Fargo), previously selected through the Request for Proposal process to act as underwriter to the transaction.

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In accordance with the City’s Debt Management Policy, one of the conditions before refunding outstanding bonds can be undertaken is present value savings of at least 3% must be met. However, the current interest rate environment doesn’t provide for the required present value savings to immediately move forward with this portion of the refunding at this time, but rather, it’s anticipated the bond market will be more conducive to this transaction in December. Resolution No. 2733, passed and adopted by the City Council on October 2, 2024, authorized the City’s Chief Financial Officer to arrange for the issuance and sale of refunding bonds at the most appropriate time in order to achieve the stated minimum present value savings of 3%. Additionally, the refunding must be in accordance with NRS 350.644.

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| CIP No.  | Related Item:                     |                  |
| LIST CITY COUNCIL GOAL(S): Responsible Fiscal Management |                                   |                  |
| PREPARED BY:   | Respectfully Submitted            | MEETING DATE:    |
| William V. Riggs, Finance Director                       | Micaela R. Moore,<br>City Manager | October 16, 2024 |