

RESOLUTION NO. 4368

(Directing the Notification of the Clark County Debt Management Commission of the City's Proposal to Issue General Obligation (Limited Tax) Various Purpose Bonds, not to exceed \$60,000,000.00)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HENDERSON, NEVADA, CONCERNING THE FINANCING OF PROJECTS OF THE CITY; DIRECTING THE CITY'S CHIEF FINANCIAL OFFICER TO NOTIFY THE DEBT MANAGEMENT COMMISSION OF THE PROPOSAL TO ISSUE GENERAL OBLIGATION (LIMITED TAX) VARIOUS PURPOSE BONDS NOT TO EXCEED \$60,000,000.00, THEREFORE; PROVIDING CERTAIN DETAILS IN CONNECTION THEREWITH; AND PROVIDING THE EFFECTIVE DATE HEREOF.

- WHEREAS, the City of Henderson, in County of Clark and State of Nevada (the "City," "County," and "State," respectively), is a political subdivision of the State duly organized and operating under the provisions of Nevada Revised Statutes ("NRS") Chapter 268 and an act entitled "AN ACT incorporating the City of Henderson in Clark County, Nevada, under a new charter; defining the boundaries thereof; and providing other matters property related thereto," cited as Chapter 266, Statutes of Nevada, 1971, as amended (the "Charter"); and
- WHEREAS, pursuant to Section 7.040 of the Charter and NRS Sections 268.672 to 268.740, inclusive (the "City Bond Law"), the City may borrow money to acquire, improve, equip, operate, and maintain a certain public facilities and improvements; and
- WHEREAS, the City Council of the City (the "Council") proposes to acquire, construct, improve and equip a Building Project as defined in NRS 268.676, a Park Project as defined in NRS 268.702, and a Recreational Project as defined in NRS 268.710 (collectively, the "Project"); and
- WHEREAS, pursuant to the Charter and the City Bond Law, the City is authorized to borrow money for any corporate purpose and to evidence such borrowing by the issuance of bonds or other securities pursuant to the Local Government Securities Law (being cited as NRS 350.500 through 350.720 (the "Bond Act")); and
- WHEREAS, pursuant to NRS 350.020(3) (subject to the approval of the proposal to issue general obligations by the Clark County Debt Management Commission), the Council proposes to issue general obligation (limited tax) bonds additionally secured by a pledge of the revenues derived from 15% of the proceeds of liquor taxes, tobacco taxes, real property transfer taxes, governmental services taxes and basic and supplemental sales taxes received by the City and allowed to be pledged pursuant to NRS 360.698 (the "Pledged Revenues") to finance the Project; and

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WHEREAS, based on a study presented to the Council, attached hereto as Exhibit A, the Council hereby determines that the Pledged Revenues will at least equal the amount required in each year for the payment of interest and principal on such general obligation utilities 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 utilities bonds for the term thereof (the "Finding"); and

WHEREAS, the Council proposes to incur the general obligation utilities bonds without an election unless a petition signed by the requisite number of registered voters of the City representing the requisite assessed value of the taxable property 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:

**GENERAL OBLIGATION (LIMITED TAX) VARIOUS
PURPOSE BONDS (ADDITIONALLY SECURED BY
PLEDGED REVENUES) PROPOSAL:**

Shall the City Council of City of Henderson, 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) various purpose bonds, in one series or more, in the aggregate principal amount of not exceeding \$60,000,000.00 for the purposes of acquiring, constructing, improving and equipping a Building Project as defined in NRS 268.676, a Park Project as defined in NRS 268.702, and a Recreational Project as defined in NRS 268.710, 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 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?

(the "Proposal"); and

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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 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, the City Council of the City of Henderson, Nevada, does ordain:

SECTION 1. 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, and the financing thereof be, and the same hereby is, ratified, approved and confirmed.

SECTION 2. The City's Chief Financial Officer be, and he hereby is, authorized and directed to: a) notify the Secretary of the Clark County Debt Management Commission (the "Commission") of the Proposal; b) submit to said Secretary a statement of the Proposal and the Finding in sufficient number of copies for each member of the Commission; and c) request the Commission to consider and approve the Proposals and the Findings at its meeting scheduled in January 2020. The City's Chief Financial Officer, or his 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. 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.

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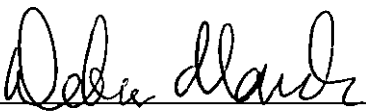
SECTION 4. If any section, paragraph, clause or other provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or other provision shall not affect any of the remaining provisions of this resolution.

SECTION 5. This resolution shall become effective and be in force immediately upon its adoption.

PASSED, ADOPTED, AND APPROVED THIS 3RD DAY OF DECEMBER, 2019, BY THE FOLLOWING ROLL-CALL VOTE OF COUNCIL.

Those voting aye:
Debra March, Mayor
Councilmembers:
John F. Marz
Michelle Romero
Dan H. Stewart

Those voting nay: None
Those abstaining: None
Those absent: Dan K. Shaw



Debra March, Mayor

ATTEST:



Sabrina Mercadante, MMC, City Clerk

Sufficiency of Pledged Revenues

Although the Proposed Bonds will be general obligations of the City, the Proposed Bonds will be additionally secured with a pledge of 15% of the City's Consolidated Tax revenues. The City anticipates that no revenue from general ad valorem (property) taxes will be necessary to secure the debt service requirements of the Proposed Bonds.

The following table is a historical schedule of the City's Consolidated Tax revenues for fiscal years 2015 through 2019 and the budgeted 2020 figures. This table is presented for informational purposes only to illustrate the historical growth pattern in this revenue source.

CONSOLIDATED TAX REVENUES City of Henderson, Nevada

Fiscal Year Ended June 30	2015 (Actual)	2016 (Actual)	2017 (Actual)	2018 (Actual)	2019 (Actual)	2020 (Budgeted)
Consolidated Tax	\$94,093,208	\$ 97,764,145	\$ 103,694,983	\$ 110,094,368	\$ 118,869,105	\$ 125,037,600
% Change	--	3.9%	6.1%	6.2%	8.0%	5.2%
Pledged Revenue Limitation (15%)	\$ 14,113,981	\$ 14,664,622	\$ 15,554,247	\$ 16,514,155	\$ 17,830,366	\$ 18,755,640
Existing Debt Service	\$ 3,057,489	\$ 3,429,969	\$ 3,429,969	\$ 3,429,969	\$ 3,429,969	\$ 5,214,969
Coverage (times)	4.62 x	4.28 x	4.53 x	4.81 x	5.20 x	3.60 x

SOURCE: City of Henderson 2015-2019 Comprehensive Annual Financial Reports and 2020 Final Budget

SUFFICIENCY OF PLEDGED REVENUES
Proposed Various Purpose Bonds, Series 2020B
City of Henderson, Nevada

Fiscal Year	Total Consolidated Tax Pledged Revenues ^{1/}	Existing CTax Revenue Supported Bonds Debt Service ^{2/}	Proposed Bond Debt Service ^{3/}	Total Existing and Proposed Bonds Debt Service	Coverage Ratio
2020	\$ 18,755,640	\$ 5,214,969	\$ 0	\$ 5,214,969	3.60
2021	18,755,640	7,738,569	3,069,444	10,808,013	1.74
2022	18,755,640	7,737,644	3,250,000	10,987,644	1.71
2023	18,755,640	7,730,844	3,250,000	10,980,844	1.71
2024	18,755,640	7,729,444	3,250,000	10,979,444	1.71
2025	18,755,640	7,723,075	3,350,000	11,073,075	1.69
2026	18,755,640	6,670,663	3,869,000	10,539,663	1.78
2027	18,755,640	6,674,913	3,856,500	10,531,413	1.78
2028	18,755,640	6,678,413	4,397,500	11,075,913	1.69
2029	18,755,640	6,690,663	4,373,700	11,064,363	1.70
2030	18,755,640	6,690,663	4,361,900	11,052,563	1.70
2031	18,755,640	6,697,150	4,341,200	11,038,350	1.70
2032	18,755,640	6,689,550	4,336,900	11,026,450	1.70
2033	18,755,640	6,689,750	4,262,800	10,952,550	1.71
2034	18,755,640	6,685,750	4,312,800	10,998,550	1.71
2035	18,755,640	6,667,500	4,314,400	10,981,900	1.71
2036	18,755,640	0	10,970,000	10,970,000	1.71
2037	18,755,640	0	10,985,000	10,985,000	1.71
2038	18,755,640	0	10,975,000	10,975,000	1.71
2039	18,755,640	0	11,000,000	11,000,000	1.71
2040	18,755,640	0	10,500,000	10,500,000	1.79
Total		\$ 110,709,560	\$ 113,026,144	\$ 223,735,704	

- 1/ Represents Pledged Revenues available for Consolidated Tax Bonds. Fiscal year 2020 is budgeted and 0% growth thereafter. See prior page for details.
- 2/ Includes debt service on the City's outstanding Series 2011C Bonds, Series 2013B Bonds, and Series 2014 Bonds, secured by consolidated tax pledged revenues.
- 3/ Assumes a total par amount of \$60,000,000 issued in two series: \$25,000,000 (Taxable) series at an estimated interest rate of 6% and \$35,000,000 (Tax-Exempt) series at a rate of 5%.

Compiled by Zions Public Finance