

Summary - A resolution authorizing medium-term obligations and forwarding of materials to the State Department of Taxation.

**RESOLUTION NO. 3288**

**A RESOLUTION AUTHORIZING MEDIUM-TERM OBLIGATIONS IN AN AMOUNT OF UP TO \$20,000,000 TO FINANCE FLOOD CONTROL AND DRAINAGE PROJECTS; DIRECTING THE OFFICERS OF THE CITY TO FORWARD MATERIALS TO THE DEPARTMENT OF TAXATION OF THE STATE OF NEVADA; DECLARING THE INTENT TO REIMBURSE THE COSTS OF THE PROJECT FROM THE PROCEEDS OF SUCH MEDIUM-TERM OBLIGATIONS; AND PROVIDING THE EFFECTIVE DATE HEREOF.**

**WHEREAS**, the City Council of the City of Sparks, Nevada (the “Council,” the “City,” and the “State,” respectively) proposes to incur medium-term obligations of the City evidenced by bonds (the “Obligations”) in an amount up to \$20,000,000 pursuant to Nevada Revised Statutes (“NRS”) Chapter 350, in order to finance, wholly or in part, the acquisition, construction, improvement and equipment of flood control and drainage projects as defined in NRS 268.690 and 268.682 (the “Project”); and

**WHEREAS**, the Council has determined that legally available funds of the City will at least equal the amount required in each year for the payment of interest and principal on the Obligations; and

**WHEREAS**, NRS 350.087 requires that a notice of intention to authorize medium-term obligations be published not less than 10 days prior to the consideration of a resolution authorizing the medium-term obligations; and

**WHEREAS**, a notice of intention to act upon the resolution authorizing such Obligations has been duly published in a newspaper of general circulation in the City not less than 10 days prior to the date of a public hearing thereon, and such public hearing was held prior to adoption of this resolution; and

**WHEREAS**, all comments made at the December 14, 2015, public hearing have been duly considered by the Council.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SPARKS, NEVADA:**

Section 1. This resolution is hereby designated by the short title the “2016 Flood Control Authorization Resolution” (the “Resolution”).

Section 2. The Council hereby finds and determines that the public interest requires medium-term obligations for the Project in an amount not exceeding \$20,000,000.

Section 3. The facts upon which the finding stated in Section 2 above is based are:

(a) The Project will benefit the health, safety and welfare of the City’s residents.

(b) It is in the best interests of the City and its inhabitants, and will best serve the public interest thereof, if the Project is now accomplished.

(c) It is not possible to finance the Project from other funds of the City because of restrictions on the City’s budget for this and the next fiscal year and other demands on and needs for existing funds of the City.

Section 4. The City proposes to borrow a sum not to exceed \$20,000,000 at an estimated annual interest rate of approximately 4.00% to be repaid over a period of not more than 10 years. The weighted average term of the Obligations (not to exceed 10 years) does not exceed the estimated weighted average useful life of the Project being financed with the Obligations, and the interest rate shall in no event exceed by more than 3 percent the “Index of Twenty Bonds” which is most recently published before the bids are received for the Obligations or negotiated offers are accepted.

Section 5. The source of revenue of the City that is anticipated to be used to repay the Obligations is the City’s Storm Drain Capital Projects Fund, and is estimated to be in the amount of \$2,500,000 per year for a period not to exceed 10 years.

Section 6. The Obligations shall not be paid in whole or in part from a levy of a special tax exempt from the limitations on the levy of ad valorem tax, but are expected to be paid from other legally available funds of the City as described in Section 5 above and, if needed, the City’s General Fund.

Section 7. The City hereby declares its intent to reimburse the costs of the Project from the proceeds of the Obligations. This is a declaration of official intent under Section 1.150-2 of the Regulations promulgated under the Internal Revenue Code of 1986, as amended.

Section 8. The Council hereby determines and declares that:

(a) The City reasonably expects to incur expenditures with respect to the Project prior to the incurrence of the Obligations and to reimburse those expenditures from the proceeds of the Obligations; and

(b) The payment of costs related to the Project and the reimbursement of such costs from the proceeds of the Obligations is consistent with the City's budgetary and financial circumstances as of the date of this Resolution. The City does not currently have moneys which are, nor does the City reasonably expect moneys to be, allocated on a long-term basis, reserved or otherwise available pursuant to the City's budget to pay the expenditures which the City intends to reimburse.

(c) The maximum principal amount of the Obligations expected to be issued to reimburse such expenditures is \$20,000,000.

Section 9. The Director of Financial Services of the City (the "Director of Finance") or his designee is hereby authorized to arrange for the issuance and sale of the Obligations in an amount not more than \$20,000,000 to carry out the Project, and he is authorized to specify the terms and details of the Obligations, including, without limitation, the maturity date or dates, the interest rate or rates, the redemption features, if any, and the other terms and conditions thereof, subject to ratification by the Council. The Obligations issued to effect the Project shall be issued on such other terms and conditions as the Council determines, all as provided in NRS 350.087 to 350.095, inclusive, NRS 350.500 to 350.720, inclusive, and as authorized by the Director of Finance at the time of sale of the Obligations and thereafter ratified by the Council as set forth in this Resolution.

Section 10. The officers of the City are hereby authorized and directed to take all action necessary to effectuate the provisions of this Resolution, including, without limitation, updating the City's capital improvement plan and statement of contemplated debt, if required, to reflect the Project; forwarding all necessary documents to the Executive Director of the Department of Taxation in Carson City, Nevada; assembling of financial and other information concerning the City, the Project and the Obligations; and, if deemed appropriate by the Director of Finance or his designee, preparing and circulating a preliminary official statement and a notice in the forms specified by the Director of Finance or his designee. If applicable, the Director of Finance or his designee is authorized to deem the official statement or preliminary official

statement to be a “final” official statement on behalf of the City for the purposes of Rule 15(c)2-12 of the Securities and Exchange Commission.

Section 11. The City represents that it is in compliance with the applicable provisions of law, including, without limitation, the provisions of Chapter 354 of NRS.

Section 12. 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 construed to revive any resolution, or part thereof, heretofore repealed.

Section 13. 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 14. This Resolution shall become effective upon approval by the Executive Director of the Department of Taxation of the State of Nevada as provided in NRS 350.089, which approval shall be recorded in the minutes of the Board, except Section 10 of this Resolution, which shall be effective upon passage and approval.

**PASSED AND ADOPTED AND APPROVED BY AN AFFIRMATIVE VOTE OF AT LEAST TWO-THIRDS OF THE MEMBERS OF THE CITY COUNCIL OF SPARKS, NEVADA, THIS December 14, 2015.**

(SEAL)

Attest:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk



- (i) Sparks Legislative Building  
745 4th Street  
Sparks, Nevada
- (ii) Sparks City Hall  
431 Prater Way  
Sparks, Nevada
- (iii) Sparks Recreation Center  
98 Richards Way  
Sparks, Nevada
- (iv) Alf Sorensen Center  
1400 Baring Blvd.  
Sparks, Nevada
- (v) Sparks Branch Library  
1125 12<sup>th</sup> Street  
Sparks, Nevada

6. Prior to 9:00 a.m. at least 3 working days before such meetings, such notices were given to each person, if any, who has requested notice of the meetings of the Council in compliance with Chapter 241 of NRS.

7. A copy of such notice so given of the meeting of the Council held on December 14, 2015, is attached to this certificate as Exhibit "A," A copy of the minutes of the public hearing held on December 14, 2015, prior to the adoption of the resolution is attached hereto as Exhibit "B." A copy of the evidence of publication of the notice of public hearing is attached hereto as Exhibit "C."

**IN WITNESS WHEREOF**, I have hereunto set my hand on this December 14, 2015.

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City Clerk

(SEAL)

EXHIBIT "A"

(Attach Copy of Notice of December 14, 2015 Meeting)

EXHIBIT "B"

(Attach Minutes of Public Hearing)



