



**CITY COUNCIL AGENDA
SPECIAL MEETING AGENDA**

**COUNCIL CHAMBERS, 401 CALIFORNIA
AVENUE, BOULDER CITY, NV 89005**

SEPTEMBER 3, 2019 - 4:00 PM

ITEMS LISTED ON THE AGENDA MAY BE TAKEN OUT OF ORDER; TWO OR MORE AGENDA ITEMS FOR CONSIDERATION MAY BE COMBINED; AND ANY ITEM ON THE AGENDA MAY BE REMOVED OR RELATED DISCUSSION MAY BE DELAYED AT ANY TIME.

CALL TO ORDER

PUBLIC COMMENT

PUBLIC COMMENT DURING THIS PORTION OF THE AGENDA MUST BE LIMITED TO MATTERS ON THE AGENDA FOR ACTION. EACH PERSON HAS UP TO FIVE MINUTES TO SPEAK ON A SPECIFIC AGENDA ITEM.

SPECIAL AGENDA

1. For possible action: Receive presentation from Zions Public Finance, Inc on options for refinancing the existing raw waterline debt and possible staff directive
2. Public Comments

Each person has up to five minutes to speak at the discretion of the Mayor/Chair. Comments made during the Public Comment period of the agenda may be on any subject. All remarks shall be addressed to the City Council/Board as a whole, not to any individual member of the Council/Board, of the audience, or of the City staff. There shall be no personal attacks against the Mayor, members of the City Council, the City staff, or any other individual. No person, other than members of the City Council and the person who has the floor, shall be permitted to enter into any discussion, either directly or through a member of the Council without the permission of the Mayor or Presiding Officer. No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken.

Supporting material is on file and available for public inspection at the City Clerk's Office, 401 California Avenue, Boulder City, Nevada 89005 and the Boulder City website at www.bcnv.org, as per NRS 241. To request supporting material, please contact the City Clerk Lorene Krumm at (702) 293-9208 or lkrumm@bcnv.org.

Notice to persons with disabilities: Members of the public who are disabled and require special assistance or accommodations at the meeting are requested to notify the City

Clerk by telephoning (702) 293-9208 at least seventy-two hours in advance of the meeting.

This notice and agenda has been posted on or before 9 a.m. on the third working day before the meeting at the following locations:

Boulder City Hall, 401 California Avenue

United States Post Office, 1101 Colorado Street

Boulder City Senior Center, 813 Arizona Street

Boulder City Parks & Recreation, 900 Arizona Street

www.bcnv.org

<https://notice.nv.gov/>

Refunding Utility Bonds

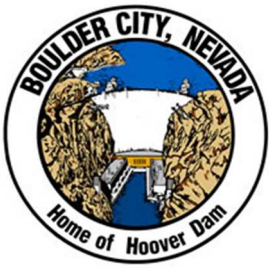
SUBJECT:

For possible action: Receive presentation from Zions Public Finance, Inc on options for refinancing the existing raw waterline debt and possible staff directive

ADDITIONAL INFORMATION:

ATTACHMENTS:

	Description	Type
📎	Staff Report	Cover Memo
📎	PP Presentation	Cover Memo



City Council Meeting September 3, 2019

BOULDER CITY
CITY COUNCIL

MAYOR
KIERNAN McMANUS

COUNCIL MEMBERS:
JAMES HOWARD ADAMS
CLAUDIA M. BRIDGES
TRACY FOLDA
WARREN HARHAY



MEETING LOCATION:
CITY COUNCIL CHAMBER
401 CALIFORNIA AVENUE
BOULDER CITY, NV 89005

MAILING ADDRESS:
401 CALIFORNIA AVENUE
BOULDER CITY, NV 89005

WEBPAGE:
WWW.BCNV.ORG



CITY MANAGER:
ALFONSO NOYOLA, ICMA-CM

CITY ATTORNEY:
STEVEN L. MORRIS, ESQ

CITY CLERK:
LORENE KRUMM, MMC, CPO

ADMINISTRATIVE SERVICES DIRECTOR:
BRYCE BOLDT

COMMUNITY DEVELOPMENT DIRECTOR:
MICHAEL MAYS, AICP

PUBLIC WORKS DIRECTOR:
KEEGAN LITTELL, P.E.

UTILITIES DIRECTOR:
DENNIS PORTER, P.E.

POLICE CHIEF:
TIM SHEA

FIRE CHIEF:
KEVIN NICHOLSON

FINANCE DIRECTOR:
DIANE PELLETIER, CPA

PARKS & RECREATION DIRECTOR
ROGER HALL

Staff Report

TO: Alfonso Noyola, City Manager
FROM: Diane Pelletier, Finance Director
DATE: August 28, 2019

SUBJECT: For possible action: Receive presentation from Zions Public Finance, Inc on options for refinancing the existing raw waterline debt and possible staff directive

Business Impact Statement: This action will not have a significant economic impact on business and will not directly restrict the formation, operation, or expansion of a business.

Action Requested: That the City Council receive the presentation and direct staff as appropriate on the refinancing of outstanding bonds.

Overview:

- Voters approved an amendment to permit the City to seek refinancing of long-term debt
- The City engaged the services of Zions Public Finance, Inc to advise the City on refinancing options for our existing debt
- Zions will present their findings and recommendations at the Special Meeting
- Staff is seeking direction for next steps

Department Recommendation: The Finance Department staff respectfully requests that the City Council receive the presentation and direct city staff as appropriate. City Staff is recommending the City Council choose option 2, to shorten the term of the existing bond issue.

Attachment:
Powerpoint presentation from Zions Public Finance

Proposed Refinancing of 2006 Revenue Utility Bonds

Presented to the city of Boulder City
September 3, 2019



ZIONS® PUBLIC FINANCE

- We are a registered municipal advisory firm that provides services exclusively to Nevada issuers
- Our role is to provide advice and services relative to the structure and sale of debt securities, while assisting the City achieve the lowest financing cost
- Unlike underwriters, we have a fiduciary responsibility to the City
- Our philosophy is to provide comprehensive financial services with minimal burden placed on our clients
- A non-bank subsidiary of Zions Bancorporation, N. A., a publicly traded, legal banking entity; note Nevada State Bank is also a division of Zions Bancorporation

Andrew Artusa – Managing Director

Mark Vincent – Vice President

2019 Ballot Question No. 2

- “Shall the Boulder City Code be amended to provide that Boulder City and its agencies and enterprises may refinance existing debt obligations, as determined by the City Council?”

Passed by 116 votes (2,369 yes, 51.3% vs. 2,253 no, 48.7%)

- Boulder City’s outstanding Series 2006 Utility Revenue Bond (\$24,955,000) is currently eligible for refinancing for a significant cost savings.

Bond Refinancing (i.e., refunding)

Common reasons to refinance existing bonds:

- Save money by lowering debt services payments due to lower interest rates
- Relieve municipality from cumbersome bond covenants and restrictions
- Extend bond term to better match revenue affordability and/or useful life of the project asset

Summary of Series 2006 Utility Bonds

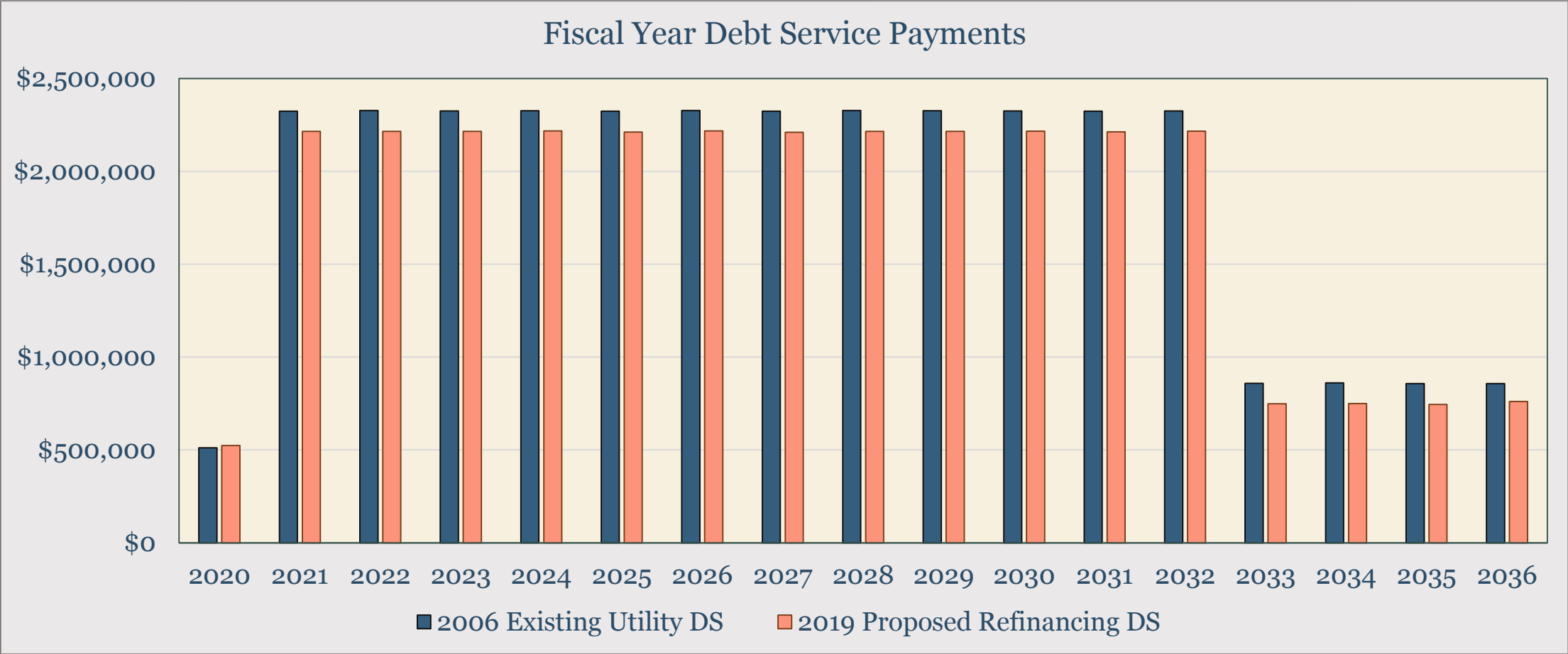
- City issued a \$32,723,765 bond in 1999 to SNWA for its portion of certain water system projects
- In 2006 the City refinanced that SNWA bond with a Revenue Bond in the amount of \$33,545,000
- As of June 30, 2019, the Series 2006 Utility Revenue Bond has \$24,955,000 of outstanding principle, with scheduled interest payments of \$8,707,028 through September 2035

Proposed Revenue Bond Refinancing

- Current bond yields suggest that BC could save as much as \$1.7 million by refinancing the existing Series 2006 utility bonds over their remaining term through June 2036 (*e.g., bond term remains the same, but debt service payment is reduced*)
- Another refinancing option could shorten the existing bond term without materially increasing current debt service payments (*e.g., debt service remains the same but the bonds are paid off earlier*)

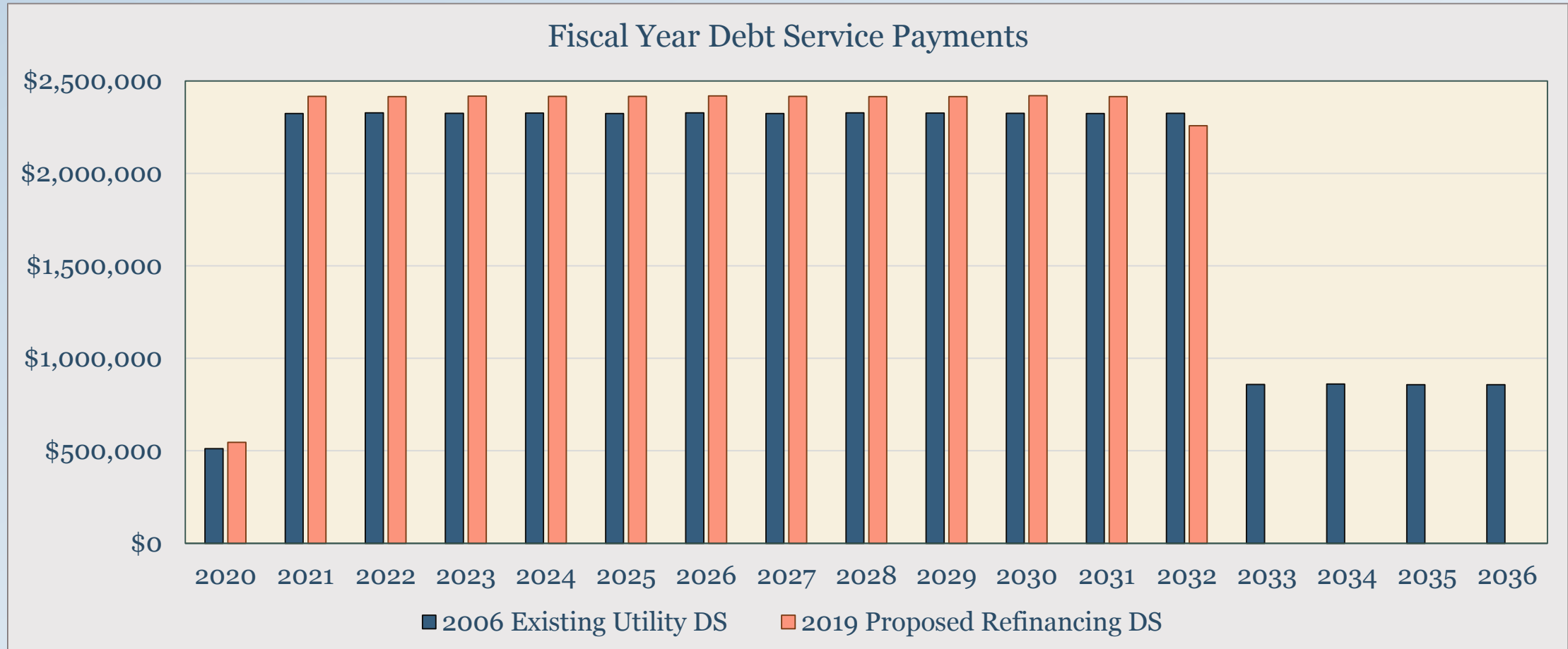
Sample Refinancing Savings for Existing Debt Service Term

Cumulative DS savings of **\$1.7M** results in a PV savings of **7.6%**
(exceeds industry target of at least 3%)



Sample Refinancing Savings for Shorter Debt Service Term

Cumulative DS savings of **\$2.5M** results in a PV savings of **8.5%** due to earlier payoff,
(exceeds industry target of at least 3%)



Impact of 2010 Advisory Ballot Question

- The 2010 advisory ballot question regarding the sale proceeds of 45 acres of land adjacent to Boulder Creek Golf Course (BCGC) for residential development, *advises the Council to do the following:*
 - Allocate 10% of sale proceeds for public safety capital improvements
 - *Allocate 90% of sales proceeds* toward retiring the BCGC revenues bonds (which were already retired in FY 2015), with remaining proceeds *to retire other capital debt obligations*
- Consequently, the refinancing bond structure may need to be adjusted to allow use of land sale proceeds to pay down the debt without penalty

Questions?