

Meeting Date: 05/01/2012
Agenda Item: # 6

Mission Statement
To provide our growing dynamic community excellent municipal services to make Fernley a great place to live, work, and play.
Together, we enhance the desirability, safety, friendliness, aesthetics and quality of life in our city.

CITY OF FERNLEY CITY COUNCIL MEETING STAFF REPORT

REPORT TO: Mayor & City Council

REPORT THRU: Fred Turnier, Interim City Manager *FT* REVIEWED BY:

REPORT FROM: Mel Drown, City Treasurer/Finance Director *MD*

AGENDA ITEM: DISCUSSION AND POSSIBLE ACTION TO DIRECT STAFF REGARDING A POSSIBLE REFUNDING OF THE 2007 & 2008 GENERAL OBLIGATION WATER & SEWER BONDS

ACTION REQUESTED: Consent Ordinance Resolution Motion Receive/File

POLICY ISSUE

Should the City Council authorize the refunding of the 2007 & 2008 General Obligation Water & Sewer Bonds to extend the life of the bonds

RECOMMENDED ACTION BY CITY COUNCIL

City staff recommends the City Council authorize staff to pursue a refinancing of the 2007 & 2008 General Obligation Water & Sewer Bonds. If the City Council is in favor of this policy recommendation, the following motion may be made:

"I move to authorize staff to pursue the refunding plan and return to the Council with final details and cost estimates."

POLICY ALTERNATIVE(S)

The City Council could take the following alternative actions:

- Deny the refinancing of the 2007 & 2008 General Obligation Bonds.
- Postpone any decision to gain further information.

STRATEGIC PLAN RELEVANCE:

Economic Vitality: Yes

Accountable/Efficient Gov't: Yes

Enhance Gov't Partnerships: No

Quality of Life : Yes

STRATEGIC PLAN SYNOPSIS:

The refunding would assist in providing a long term solution for payment of debt service on the bonds.

POLICY REFERENCE

Nevada Statutes: NRS XXX.XXX
Fernley Municipal Code: F.M.C. XX.XX.XX
Policies & Procedure Manual: N/A
Community Assessment: N/A
Other: N/A

SUMMARY

Background

In 2007, \$50,000,000 of General Obligation Water & Sewer Bonds were issued and in 2008, \$32,600,000 of General Obligation Water & Sewer bonds were issued. The proceeds of the bonds were used to build a water treatment plant and provide for the needed infrastructure. The City of Fernley is currently reviewing different options that would provide a long term solution for paying the debt service on the bonds through maturity.

The Refinancing Plan

An alternative available to the City is to refinance a portion of the outstanding water bonds. In order to provide the desired debt service relief, principal payments to be made in the next several years would be refunded and principal payments on the refunding bonds would be deferred to generate the desired level of reduced debt service. While this type of transaction would provide for lower debt service for some period of time, the City/ratepayers would pay more in total debt service over the life of the bonds. The increased cost depends on the level of debt service reduction desired, the period of time of the reduction and how quickly the refunding bonds are repaid. The attached numbers are for illustrative purposes only and if the Council determines to pursue this option more refined numbers can be presented at a future Council meeting.

It is extremely likely that in order to complete a refunding transaction the City would need to utilize the State of Nevada Municipal Bond Bank program. The Bond Bank allows local governments to benefit from the State’s bond rating as the State issues General Obligation Bonds to fund the purchase of the local government bond and passes the interest rate through to the local government. The attached timeline shows some of the steps required to issue bonds through the Bond Bank. Due to the timing of various meetings and publications it is very possible the timeline could be delayed by a couple of months. In the opinion of the City’s Financial Advisor, JNA Consulting Group, a preliminary meeting should be held with the State Treasurer’s office staff to determine the viability of utilizing the Bond Bank. Additionally, they believe that if this idea is pursued that the rate increases necessary to provide for the annual payment of the bonds – over the life of the bonds – would need to be approved by the Council before that State would allow the bonds to be issued. The exact timing would need to be discussed with the State.

FINANCIAL INFORMATION

FISCAL IMPACT:

- 1. Is There A Fiscal Impact? Yes
- 2. Is it Currently Budgeted? No
- 3. If Budgeted, Which General Ledger? n/a

FISCAL SYNOPSIS:

Four Year Savings

Savings: TBD

PRIOR COUNCIL ACTION/REVIEW

None.

BACKGROUND INFORMATION

Refunding the 2007 & 2008 General Obligation Water & Sewer Bonds could provide an opportunity to phase in an assessment for purposes of debt repayment.

ATTACHED INFORMATION

1. Savings Comparison (3)
2. Tentative issuance schedule

City of Fernley, Nevada
Water and Sewer Refunding Bonds, Series 2012
Debt Service Savings and Summary Schedule

Issue Summary	
Dated Date	09/01/2012
Delivery Date	09/01/2012
Par Amount	\$6,495,000
Refunded Par	\$6,005,000
Avg Annual Savings	(\$114,425)
Total Savings	(\$1,601,948)
Present Value Savings	(\$625,262)
% of Refunding Par	-9.627%
% of Refunded Par	-10.412%
Net Underwriter's Spread	1.000%
Total Costs as % of Par	5.927%
TIC	2.81652%
Bond Yield	2.65915%
Arbitrage Yield	2.65915%
Escrow Yield	0.34262%
Average Life	7.18
Estimated Neg(Pos) Arbitrage	\$237,054

Sources		Uses	
Par Amount	\$6,495,000.00	Restricted Escrow	\$6,109,643.00
Original Issue Prem/(Disc)	0.00	Initial Escrow Deposit	10.08
Debt Service Fund	299,002.08	Unrestricted Escrow	299,002.00
Accrued Interest	<u>0.00</u>	Underwriting	64,950.00
Total	\$6,794,002.08	Insurance	0.00
		Reserve Fund Surety	0.00
		Issuance Costs	320,000.00
		Accrued Interest	0.00
		Miscellaneous	<u>397.00</u>
		Total	\$6,794,002.08

City of Fernley, Nevada
Water and Sewer Refunding Bonds, Series 2012
Debt Service Savings and Summary Schedule

Date	Principal	Rate	Interest	Annual Debt Service	Refunded Debt Service	Cashflow Savings
09/01/2012						
02/01/2013	0	1.180%	62,402.50	62,402.50	1,495,010.42	1,432,607.92
08/01/2013			74,883.00			
02/01/2014	265,000	1.260%	74,883.00	414,766.00	1,919,500.00	1,504,734.00
08/01/2014			73,213.50			
02/01/2015	1,030,000	1.420%	73,213.50	1,176,427.00	1,928,275.00	751,848.00
08/01/2015			65,900.50			
02/01/2016	670,000	1.520%	65,900.50	801,801.00	803,250.00	1,449.00
08/01/2016			60,808.50			
02/01/2017	375,000	1.680%	60,808.50	496,617.00	0.00	(496,617.00)
08/01/2017			57,658.50			
02/01/2018	420,000	1.950%	57,658.50	535,317.00	0.00	(535,317.00)
08/01/2018			53,563.50			
02/01/2019	425,000	2.210%	53,563.50	532,127.00	0.00	(532,127.00)
08/01/2019			48,867.25			
02/01/2020	435,000	2.490%	48,867.25	532,734.50	0.00	(532,734.50)
08/01/2020			43,451.50			
02/01/2021	445,000	2.700%	43,451.50	531,903.00	0.00	(531,903.00)
08/01/2021			37,444.00			
02/01/2022	460,000	2.870%	37,444.00	534,888.00	0.00	(534,888.00)
08/01/2022			30,843.00			
02/01/2023	470,000	2.980%	30,843.00	531,686.00	0.00	(531,686.00)
08/01/2023			23,840.00			
02/01/2024	485,000	3.080%	23,840.00	532,680.00	0.00	(532,680.00)
08/01/2024			16,371.00			
02/01/2025	500,000	3.170%	16,371.00	532,742.00	0.00	(532,742.00)
08/01/2025			8,446.00			
02/01/2026	515,000	3.280%	8,446.00	531,892.00	0.00	(531,892.00)
08/01/2026			0.00			
02/01/2027		3.370%	0.00	0.00	0.00	0.00
08/01/2027			0.00			
02/01/2028		3.460%	0.00	0.00	0.00	0.00
08/01/2028			0.00			
02/01/2029		3.550%	0.00	0.00	0.00	0.00
08/01/2029			0.00			
02/01/2030		5.000%	0.00	0.00	0.00	0.00
08/01/2030			0.00			
02/01/2031		5.000%	0.00	0.00	0.00	0.00
08/01/2031			0.00			
02/01/2032		5.000%	0.00	0.00	0.00	0.00
08/01/2032			0.00			
02/01/2033		5.000%	0.00	0.00	0.00	0.00
08/01/2033			0.00			
02/01/2034		5.000%	0.00	0.00	0.00	0.00
08/01/2034			0.00			
02/01/2035		5.000%	0.00	0.00	0.00	0.00
08/01/2035			0.00			
02/01/2036		5.000%	0.00	0.00	0.00	0.00
08/01/2036			0.00			
02/01/2037		5.000%	0.00	0.00	0.00	0.00
08/01/2037			0.00			
02/01/2038		5.000%	0.00	0.00	0.00	0.00
08/01/2038			0.00			
02/01/2039		5.000%	0.00	0.00	0.00	0.00
08/01/2039			0.00			
02/01/2040		5.000%	0.00	0.00	0.00	0.00
08/01/2040			0.00			
02/01/2041		5.000%	0.00	0.00	0.00	0.00
	6,495,000		1,252,983.00	7,747,983.00	6,146,035.42	(1,601,947.58)
					Net Savings	(1,601,947.58)

City of Fernley, Nevada
Water and Sewer Refunding Bonds, Series 2012
Total Debt Service Comparison

Date	Outstanding Debt Service	Refunded Debt Service	Refunding Debt Service	Revised Debt Service	Difference
02/01/2013	4,715,066	(1,495,010)	62,403	3,282,458	(1,432,608)
02/01/2014	4,720,692	(1,919,500)	414,766	3,215,958	(1,504,734)
02/01/2015	4,728,503	(1,928,275)	1,176,427	3,976,655	(751,848)
02/01/2016	4,737,324	(803,250)	801,801	4,735,875	(1,449)
02/01/2017	4,723,549	0	496,617	5,220,166	496,617
02/01/2018	4,715,234	0	535,317	5,250,551	535,317
02/01/2019	4,714,877	0	532,127	5,247,004	532,127
02/01/2020	4,715,132	0	532,735	5,247,866	532,735
02/01/2021	4,710,023	0	531,903	5,241,926	531,903
02/01/2022	4,707,768	0	534,888	5,242,656	534,888
02/01/2023	4,704,135	0	531,686	5,235,821	531,686
02/01/2024	4,699,954	0	532,680	5,232,634	532,680
02/01/2025	4,711,469	0	532,742	5,244,211	532,742
02/01/2026	4,725,759	0	531,892	5,257,651	531,892
02/01/2027	4,727,340	0	0	4,727,340	0
02/01/2028	4,739,504	0	0	4,739,504	0
02/01/2029	4,745,350	0	0	4,745,350	0
02/01/2030	4,743,832	0	0	4,743,832	0
02/01/2031	4,735,087	0	0	4,735,087	0
02/01/2032	4,728,176	0	0	4,728,176	0
02/01/2033	4,713,589	0	0	4,713,589	0
02/01/2034	4,716,956	0	0	4,716,956	0
02/01/2035	4,721,618	0	0	4,721,618	0
02/01/2036	4,727,154	0	0	4,727,154	0
02/01/2037	4,728,535	0	0	4,728,535	0
02/01/2038	1,863,784	0	0	1,863,784	0
02/01/2039	0	0	0	0	0
02/01/2040	0	0	0	0	0
02/01/2041	0	0	0	0	0

City of Fernley, Nevada
Water and Sewer Refunding Bonds, Series 2012
Debt Service Savings and Summary Schedule

Issue Summary	
Dated Date	09/01/2012
Delivery Date	09/01/2012
Par Amount	\$9,685,000
Refunded Par	\$8,750,000
Avg Annual Savings	(\$183,737)
Total Savings	(\$3,307,267)
Present Value Savings	(\$991,892)
% of Refunding Par	-10.242%
% of Refunded Par	-11.336%
Net Underwriter's Spread	1.000%
Total Costs as % of Par	4.304%
TIC	3.25856%
Bond Yield	3.13602%
Arbitrage Yield	3.13602%
Escrow Yield	0.56006%
Average Life	9.80
Estimated Neg(Pos) Arbitrage	\$571,067

Sources		Uses	
Par Amount	\$9,685,000.00	Restricted Escrow	\$9,305,151.00
Original Issue Prem/(Disc)	37,668.15	Initial Escrow Deposit	10.25
Debt Service Fund	309,756.25	Unrestricted Escrow	309,756.00
Accrued Interest	<u>0.00</u>	Underwriting	96,850.00
Total	\$10,032,424.40	Insurance	0.00
		Reserve Fund Surety	0.00
		Issuance Costs	320,000.00
		Accrued Interest	0.00
		Miscellaneous	<u>657.15</u>
		Total	\$10,032,424.40

City of Fernley, Nevada
Water and Sewer Refunding Bonds, Series 2012
Debt Service Savings and Summary Schedule

Date	Principal	Rate	Interest	Annual Debt Service	Refunded Debt Service	Cashflow Savings
09/01/2012						
02/01/2013	0	1.180%	111,689.17	111,689.17	1,548,781.25	1,437,092.08
08/01/2013			134,027.00			
02/01/2014	280,000	1.260%	134,027.00	548,054.00	2,048,550.00	1,500,496.00
08/01/2014			132,263.00			
02/01/2015	640,000	1.420%	132,263.00	904,526.00	2,057,325.00	1,152,799.00
08/01/2015			127,719.00			
02/01/2016	1,010,000	1.520%	127,719.00	1,265,438.00	2,067,300.00	801,862.00
08/01/2016			120,043.00			
02/01/2017	220,000	1.680%	120,043.00	460,086.00	862,300.00	402,214.00
08/01/2017			118,195.00			
02/01/2018	615,000	1.950%	118,195.00	851,390.00	852,800.00	1,410.00
08/01/2018			112,198.75			
02/01/2019	495,000	2.210%	112,198.75	719,397.50	0.00	(719,397.50)
08/01/2019			106,729.00			
02/01/2020	505,000	2.490%	106,729.00	718,458.00	0.00	(718,458.00)
08/01/2020			100,441.75			
02/01/2021	515,000	2.700%	100,441.75	715,883.50	0.00	(715,883.50)
08/01/2021			93,489.25			
02/01/2022	530,000	2.870%	93,489.25	716,978.50	0.00	(716,978.50)
08/01/2022			85,883.75			
02/01/2023	545,000	2.980%	85,883.75	716,767.50	0.00	(716,767.50)
08/01/2023			77,763.25			
02/01/2024	560,000	3.080%	77,763.25	715,526.50	0.00	(715,526.50)
08/01/2024			69,139.25			
02/01/2025	580,000	3.170%	69,139.25	718,278.50	0.00	(718,278.50)
08/01/2025			59,946.25			
02/01/2026	595,000	3.280%	59,946.25	714,892.50	0.00	(714,892.50)
08/01/2026			50,188.25			
02/01/2027	615,000	3.370%	50,188.25	715,376.50	0.00	(715,376.50)
08/01/2027			39,825.50			
02/01/2028	635,000	3.460%	39,825.50	714,651.00	0.00	(714,651.00)
08/01/2028			28,840.00			
02/01/2029	660,000	3.550%	28,840.00	717,680.00	0.00	(717,680.00)
08/01/2029			17,125.00			
02/01/2030	685,000	5.000%	17,125.00	719,250.00	0.00	(719,250.00)
08/01/2030			0.00			
02/01/2031		5.000%	0.00	0.00	0.00	0.00
08/01/2031			0.00			
02/01/2032		5.000%	0.00	0.00	0.00	0.00
08/01/2032			0.00			
02/01/2033		5.000%	0.00	0.00	0.00	0.00
08/01/2033			0.00			
02/01/2034		5.000%	0.00	0.00	0.00	0.00
08/01/2034			0.00			
02/01/2035		5.000%	0.00	0.00	0.00	0.00
08/01/2035			0.00			
02/01/2036		5.000%	0.00	0.00	0.00	0.00
08/01/2036			0.00			
02/01/2037		5.000%	0.00	0.00	0.00	0.00
08/01/2037			0.00			
02/01/2038		5.000%	0.00	0.00	0.00	0.00
08/01/2038			0.00			
02/01/2039		5.000%	0.00	0.00	0.00	0.00
08/01/2039			0.00			
02/01/2040		5.000%	0.00	0.00	0.00	0.00
08/01/2040			0.00			
02/01/2041		5.000%	0.00	0.00	0.00	0.00
	9,685,000		3,059,323.17	12,744,323.17	9,437,056.25	(3,307,266.92)
					Net Savings	(3,307,266.92)

City of Fernley, Nevada
Water and Sewer Refunding Bonds, Series 2012
Total Debt Service Comparison

Date	Outstanding Debt Service	Refunded Debt Service	Refunding Debt Service	Revised Debt Service	Difference
02/01/2013	4,715,066	(1,548,781)	111,689	3,277,974	(1,437,092)
02/01/2014	4,720,692	(2,048,550)	548,054	3,220,196	(1,500,496)
02/01/2015	4,728,503	(2,057,325)	904,526	3,575,704	(1,152,799)
02/01/2016	4,737,324	(2,067,300)	1,265,438	3,935,462	(801,862)
02/01/2017	4,723,549	(862,300)	460,086	4,321,335	(402,214)
02/01/2018	4,715,234	(852,800)	851,390	4,713,824	(1,410)
02/01/2019	4,714,877	0	719,398	5,434,275	719,398
02/01/2020	4,715,132	0	718,458	5,433,590	718,458
02/01/2021	4,710,023	0	715,884	5,425,906	715,884
02/01/2022	4,707,768	0	716,979	5,424,747	716,979
02/01/2023	4,704,135	0	716,768	5,420,902	716,768
02/01/2024	4,699,954	0	715,527	5,415,481	715,527
02/01/2025	4,711,469	0	718,279	5,429,747	718,279
02/01/2026	4,725,759	0	714,893	5,440,652	714,893
02/01/2027	4,727,340	0	715,377	5,442,716	715,377
02/01/2028	4,739,504	0	714,651	5,454,155	714,651
02/01/2029	4,745,350	0	717,680	5,463,030	717,680
02/01/2030	4,743,832	0	719,250	5,463,082	719,250
02/01/2031	4,735,087	0	0	4,735,087	0
02/01/2032	4,728,176	0	0	4,728,176	0
02/01/2033	4,713,589	0	0	4,713,589	0
02/01/2034	4,716,956	0	0	4,716,956	0
02/01/2035	4,721,618	0	0	4,721,618	0
02/01/2036	4,727,154	0	0	4,727,154	0
02/01/2037	4,728,535	0	0	4,728,535	0
02/01/2038	1,863,784	0	0	1,863,784	0
02/01/2039	0	0	0	0	0
02/01/2040	0	0	0	0	0
02/01/2041	0	0	0	0	0

City of Fernley, Nevada
Water and Sewer Refunding Bonds, Series 2012
Debt Service Savings and Summary Schedule

Issue Summary	
Dated Date	09/01/2012
Delivery Date	09/01/2012
Par Amount	\$13,220,000
Refunded Par	\$11,675,000
Avg Annual Savings	(\$263,156)
Total Savings	(\$5,789,436)
Present Value Savings	(\$1,457,429)
% of Refunding Par	-11.024%
% of Refunded Par	-12.483%
Net Underwriter's Spread	1.000%
Total Costs as % of Par	3.421%
TIC	3.46472%
Bond Yield	3.36318%
Arbitrage Yield	3.36318%
Escrow Yield	0.69179%
Average Life	12.61
Estimated Neg(Pos) Arbitrage	\$987,086

Sources		Uses	
Par Amount	\$13,220,000.00	Restricted Escrow	\$12,766,540.00
Original Issue Prem/(Disc)	0.00	Initial Escrow Deposit	10.10
Debt Service Fund	320,590.10	Unrestricted Escrow	320,590.00
Accrued Interest	<u>0.00</u>	Underwriting	132,200.00
Total	\$13,540,590.10	Insurance	0.00
		Reserve Fund Surety	0.00
		Issuance Costs	320,000.00
		Accrued Interest	0.00
		Miscellaneous	<u>1,250.00</u>
		Total	\$13,540,590.10

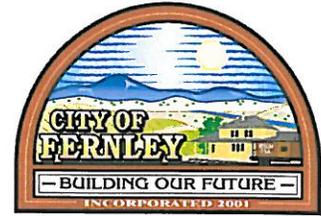
City of Fernley, Nevada
Water and Sewer Refunding Bonds, Series 2012
Debt Service Savings and Summary Schedule

Date	Principal	Rate	Interest	Annual Debt Service	Refunded Debt Service	Cashflow Savings
09/01/2012						
02/01/2013	0	1.180%	165,420.21	165,420.21	1,602,950.52	1,437,530.31
08/01/2013			198,504.25			
02/01/2014	280,000	1.260%	198,504.25	677,008.50	2,178,556.25	1,501,547.75
08/01/2014			196,740.25			
02/01/2015	540,000	1.420%	196,740.25	933,480.50	2,187,331.25	1,253,850.75
08/01/2015			192,906.25			
02/01/2016	810,000	1.520%	192,906.25	1,195,812.50	2,197,306.25	1,001,493.75
08/01/2016			186,750.25			
02/01/2017	1,055,000	1.680%	186,750.25	1,428,500.50	2,182,306.25	753,805.75
08/01/2017			177,888.25			
02/01/2018	65,000	1.950%	177,888.25	420,776.50	923,306.25	502,529.75
08/01/2018			177,254.50			
02/01/2019	315,000	2.210%	177,254.50	669,509.00	920,506.25	250,997.25
08/01/2019			173,773.75			
02/01/2020	570,000	2.490%	173,773.75	917,547.50	921,506.25	3,958.75
08/01/2020			166,677.25			
02/01/2021	165,000	2.700%	166,677.25	498,354.50	0.00	(498,354.50)
08/01/2021			164,449.75			
02/01/2022	595,000	2.870%	164,449.75	923,899.50	0.00	(923,899.50)
08/01/2022			155,911.50			
02/01/2023	610,000	2.980%	155,911.50	921,823.00	0.00	(921,823.00)
08/01/2023			146,822.50			
02/01/2024	630,000	3.080%	146,822.50	923,645.00	0.00	(923,645.00)
08/01/2024			137,120.50			
02/01/2025	650,000	3.170%	137,120.50	924,241.00	0.00	(924,241.00)
08/01/2025			126,818.00			
02/01/2026	670,000	3.280%	126,818.00	923,636.00	0.00	(923,636.00)
08/01/2026			115,830.00			
02/01/2027	690,000	3.370%	115,830.00	921,660.00	0.00	(921,660.00)
08/01/2027			104,203.50			
02/01/2028	715,000	3.460%	104,203.50	923,407.00	0.00	(923,407.00)
08/01/2028			91,834.00			
02/01/2029	740,000	3.550%	91,834.00	923,668.00	0.00	(923,668.00)
08/01/2029			78,699.00			
02/01/2030	765,000	3.640%	78,699.00	922,398.00	0.00	(922,398.00)
08/01/2030			64,776.00			
02/01/2031	795,000	3.730%	64,776.00	924,552.00	0.00	(924,552.00)
08/01/2031			49,949.25			
02/01/2032	820,000	3.810%	49,949.25	919,898.50	0.00	(919,898.50)
08/01/2032			34,328.25			
02/01/2033	855,000	3.900%	34,328.25	923,656.50	0.00	(923,656.50)
08/01/2033			17,655.75			
02/01/2034	885,000	3.990%	17,655.75	920,311.50	0.00	(920,311.50)
08/01/2034			0.00			
02/01/2035		4.080%	0.00	0.00	0.00	0.00
08/01/2035			0.00			
02/01/2036		4.150%	0.00	0.00	0.00	0.00
08/01/2036			0.00			
02/01/2037		4.200%	0.00	0.00	0.00	0.00
08/01/2037			0.00			
02/01/2038		4.210%	0.00	0.00	0.00	0.00
08/01/2038			0.00			
02/01/2039		4.220%	0.00	0.00	0.00	0.00
08/01/2039			0.00			
02/01/2040		4.230%	0.00	0.00	0.00	0.00
08/01/2040			0.00			
02/01/2041		4.400%	0.00	0.00	0.00	0.00
	13,220,000		5,683,205.71	18,903,205.71	13,113,769.27	(5,789,436.44)
					Net Savings	(5,789,436.44)

City of Fernley, Nevada
Water and Sewer Refunding Bonds, Series 2012
Total Debt Service Comparison

Date	Outstanding Debt Service	Refunded Debt Service	Refunding Debt Service	Revised Debt Service	Difference
02/01/2013	4,715,066	(1,602,951)	165,420	3,277,536	(1,437,530)
02/01/2014	4,720,692	(2,178,556)	677,009	3,219,144	(1,501,548)
02/01/2015	4,728,503	(2,187,331)	933,481	3,474,652	(1,253,851)
02/01/2016	4,737,324	(2,197,306)	1,195,813	3,735,830	(1,001,494)
02/01/2017	4,723,549	(2,182,306)	1,428,501	3,969,743	(753,806)
02/01/2018	4,715,234	(923,306)	420,777	4,212,704	(502,530)
02/01/2019	4,714,877	(920,506)	669,509	4,463,880	(250,997)
02/01/2020	4,715,132	(921,506)	917,548	4,711,173	(3,959)
02/01/2021	4,710,023	0	498,355	5,208,377	498,355
02/01/2022	4,707,768	0	923,900	5,631,668	923,900
02/01/2023	4,704,135	0	921,823	5,625,958	921,823
02/01/2024	4,699,954	0	923,645	5,623,599	923,645
02/01/2025	4,711,469	0	924,241	5,635,710	924,241
02/01/2026	4,725,759	0	923,636	5,649,395	923,636
02/01/2027	4,727,340	0	921,660	5,649,000	921,660
02/01/2028	4,739,504	0	923,407	5,662,911	923,407
02/01/2029	4,745,350	0	923,668	5,669,018	923,668
02/01/2030	4,743,832	0	922,398	5,666,230	922,398
02/01/2031	4,735,087	0	924,552	5,659,639	924,552
02/01/2032	4,728,176	0	919,899	5,648,074	919,899
02/01/2033	4,713,589	0	923,657	5,637,245	923,657
02/01/2034	4,716,956	0	920,312	5,637,268	920,312
02/01/2035	4,721,618	0	0	4,721,618	0
02/01/2036	4,727,154	0	0	4,727,154	0
02/01/2037	4,728,535	0	0	4,728,535	0
02/01/2038	1,863,784	0	0	1,863,784	0
02/01/2039	0	0	0	0	0
02/01/2040	0	0	0	0	0
02/01/2041	0	0	0	0	0

\$ _____ (estimated)
City of Fernley, Nevada
General Obligation (Limited Tax)
Additionally Secured by Pledged Revenues
Water and Sewer Refunding Bonds
Series 2012



SAMPLE Project Schedule

Date	Activity
05/15/12	City Council (the "Council") approves Refunding Plan <i>The Refunding Plan includes desired debt service structure and resulting water rates</i>
05/21/12	Meeting with State Treasurer's Office regarding use of Bond Bank Program <i>The State issues GO Bonds and wants to be sure the local bonds will be paid</i>
06/06/12	Council adopts Bond Bank Request Resolution <i>This resolution requests the State to issue bonds and begin the process</i>
08/14/12	Board of Finance adopts Sale Resolution and authorizes Judicial Confirmation <i>Bond Bank bonds must be judicially confirmed before they can be issued</i>
08/21/12	Begin Judicial Confirmation Process <i>This process consists of publications and a court hearing over 6-8 weeks</i>
08/01/12	Council adopts Water Rate Ordinance <i>This ordinance will set rates that will provide for the repayment of the new bonds</i>
09/25/12	Judicial Confirmation process complete
10/09/12	Board of Finance adopts Bond Resolution <i>This resolution allows the State bonds to be issued</i>
10/03/12	Council adopts Bond Ordinance <i>This resolution allows for the issuance of the City's bonds which the State buys</i>
10/10/12	State Bond Sale <i>At this point the interest rates are locked in and the bond payments are set</i>
10/30/12	Closing <i>The proceeds of the bonds are placed in an escrow to pay the refunded bonds</i>

Notes:

- The Board of Finance has scheduled meetings on the 2nd Tuesday every other month
- Due to agenda deadlines and timing beyond the City and State's control the steps after the Judicial Confirmation process starts could easily slip and the bonds wouldn't be sold until December 2012
- The City authorizes a maximum amount of bonds to issue and can issue any amount up to that amount