

CITY OF LAS VEGAS, NEVADA



DEBT MANAGEMENT POLICY AS OF JUNE 30, 2020



CITY OF LAS VEGAS

DEBT MANAGEMENT POLICY June 30, 2020

CITY COUNCIL

Carolyn G. Goodman, Mayor

Stavros Anthony, Mayor Pro-Tem^{1/}

Michele Fiore

Cedric Crear

Brian Knudsen

Olivia Diaz

Victoria Seaman

CITY OFFICIALS

Scott D. Adams, City Manager

Gary Ameling, Chief Financial Officer

Venetta Appleyard, Director of Finance

^{1/} Stavros Anthony became Mayor Pro Tem on July 8, 2020.



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DEBT MANAGEMENT POLICY
NRS 350.013 Subsection 1(c)

Listed below are excerpts from Nevada Law which requires local governments to submit a debt management policy:

NRS 350.013 1. Except as otherwise provided in this section, on or before August 1 of each year, the governing body of a municipality which proposes to issue or has outstanding any general obligation debt, other general obligations or special obligations, or which levies or proposes to levy any special elective tax, shall submit to the Department of Taxation and the commission:

(c) A written statement of the debt management policy of the municipality, which must include, without limitation;

- (1) A discussion of its ability to afford existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt;*
- (2) A discussion of its capacity to incur authorized and proposed future general obligation debt without exceeding the applicable debt limit;*
- (3) A discussion of its general obligation debt that is payable from property taxes per capita as compared with such debt of other municipalities in this state;*
- (4) A discussion of its general obligation debt that is payable from property taxes as a percentage of assessed valuation of all taxable property within the boundaries of the municipality;*
- (5) Policy regarding the manner in which the municipality expects to sell its debt;*
- (6) A discussion of its sources of money projected to be available to pay existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt; and*
- (7) A discussion of its operational costs and revenue sources, for the ensuing 5 fiscal years, associated with each project included in its plan for capital improvement submitted pursuant to paragraph (d), if those costs and revenues are expected to affect the property tax rate.*

This document is intended to meet the requirements of NRS 350.013 subsection 1(c), it is not a review of the City of Las Vegas' total financial position.

The City of Las Vegas (the "City") has a Capital Improvement Plan ("CIP") which is a multi-year planning document that identifies and prioritizes the need for a variety of public improvements and coordinates the City's financing and construction time frames. More specifically, the CIP is a process that provides order and continuity to the repair, replacement, construction or expansion of the City's capital assets. With revenue limitations in mind, the City's CIP focuses primarily on the City's more immediate needs.



SUMMARY OF DEBT

OUTSTANDING GENERAL AND OTHER OBLIGATION INDEBTEDNESS ^{1/}
City of Las Vegas, Nevada
As of June 30, 2020

| | Date of Issuance | Maturity Date | Original Amount | Principal Outstanding |
|--|---------------------|------------------|--------------------|------------------------------|
| <u>SELF-SUPPORTING GENERAL OBLIGATION BONDS ^{2/}</u> | | | | |
| Golf Course Refunding Bonds, Series 2012B (Taxable) | 5/1/2012 | 6/1/2022 | 8,230,000 | 1,825,000 |
| Main Street Parking Garage Refunding Bonds, Series 2014B | 12/4/2014 | 5/1/2034 | 8,985,000 | 7,105,000 |
| Sewer Bonds, Series 2014A | 12/11/2014 | 5/1/2034 | 74,765,000 | 55,310,000 |
| Various Purpose Refunding Bonds, Series 2015B (Taxable) | 9/15/2015 | 6/1/2024 | 11,090,000 | 5,430,000 |
| City Hall Refunding 2015C | 12/22/2015 | 9/1/2039 | 160,805,000 | 160,805,000 |
| Performing Arts Center Refunding Bonds, Series 2016A | 5/3/2016 | 6/1/2039 | 90,100,000 | 87,240,000 |
| Various Purpose Refunding Bonds, Series 2016B | 5/3/2016 | 6/1/2036 | 42,590,000 | 37,700,000 |
| Sewer Refunding Bonds, Series 2016C | 5/3/2016 | 6/1/2021 | 16,145,000 | 3,500,000 |
| Building Bonds, Series 2019A | 2/13/2019 | 2/1/2039 | 30,840,000 | 30,840,000 |
| Various Purpose Refunding Bonds, Series 2019C | 7/1/2019 | 6/1/2036 | 23,300,000 | 22,800,000 |
| TOTAL | | | | <u>412,555,000</u> |
| <u>MEDIUM-TERM GENERAL OBLIGATION BONDS ^{3/}</u> | | | | |
| Various Purpose Bonds, Series 2011A | 12/1/2011 | 12/1/2021 | 27,590,000 | 6,285,000 |
| Medium Term Bonds, Series 2012A | 5/1/2012 | 5/1/2022 | 8,115,000 | 1,765,000 |
| Medium Term Recreation Projects Bonds, Series 2015A | 9/15/2015 | 9/1/2025 | 26,000,000 | 16,745,000 |
| Medium Term Various Purpose Bonds, Series 2016D | 12/15/2016 | 12/1/2026 | 22,930,000 | 17,090,000 |
| Various Purpose Bonds, Series 2018A | 6/7/2018 | 6/1/2028 | 19,495,000 | 16,305,000 |
| Various Purpose Bonds, Series 2018B (Taxable) | 6/7/2018 | 6/1/2028 | 21,615,000 | 17,790,000 |
| Medium Term Bonds, Series 2019B | 2/13/2019 | 2/1/2029 | 6,705,000 | 6,155,000 |
| TOTAL | | | | <u>82,135,000</u> |
| GENERAL OBLIGATION TOTAL | | | | <u>494,690,000</u> |
| <u>OTHER MEDIUM-TERM OBLIGATIONS ^{4/}</u> | | | | |
| Lease Purchase Agreement (Phone System), Series 2018 | 9/21/2018 | 10/21/2023 | 2,626,725 | 1,754,720 |
| TOTAL | | | | <u>1,754,720</u> |
| <u>OTHER OBLIGATIONS ^{5/}</u> | | | | |
| Non Developer Assessment District 1463 ^{6/} | 12/1/2002 | 12/1/2022 | 4,245,000 | 465,000 |
| Non Developer Assessment District 1481 ^{6/} | 7/21/2004 | 6/1/2024 | 1,975,000 | 285,000 |
| Non Developer Assessment District 1506 ^{6/} | 6/1/2007 | 6/1/2027 | 1,724,000 | 760,000 |
| Non Developer Assessment District 1507 ^{6/} | 10/11/2012 | 6/1/2032 | 1,777,852 | 926,678 |
| Installment Purchase Agreement - NCRE Bonds 2011 | 5/18/2011 | 5/1/2026 | 4,974,400 | 2,210,440 |
| Installment Purchase Agreement - QEC Bonds 2011 | 5/18/2011 | 5/1/2026 | 5,874,300 | 2,610,322 |
| Revenue Bond Series 14-R-1 2014 ^{7/} | 6/30/2014 | 7/30/2028 | 251,000 | 164,644 |
| Revenue Bond Series 14-R-2 2014 ^{7/} | 6/30/2014 | 7/30/2028 | 463,400 | 303,968 |
| Revenue Bond Series 14-R-3 2014 ^{7/} | 6/30/2014 | 7/30/2028 | 529,600 | 347,393 |
| Sales Tax Increment Revenue Bonds, Series 2016 ^{8/} | 6/28/2016 | 6/15/2035 | 24,800,000 | 18,750,000 |
| OTHER OBLIGATIONS TOTAL | | | | <u>26,823,445</u> |
| TOTAL OBLIGATIONS | | | | <u>\$ 523,268,165</u> |

(Footnotes on following page)



- 1/ Bonds are tax-exempt unless designated otherwise.
- 2/ General obligation bonds secured by the full faith, credit and taxing power of the City. The ad valorem tax available to pay these bonds is limited to the \$3.64 statutory and the \$5.00 constitutional limit. These bonds are additionally secured by pledged revenues; if revenues are not sufficient, the City is obligated to pay the difference between such revenues and debt service requirements of the respective bonds subsequent to June 30, 2020.
- 3/ General obligation medium-term bonds secured by full faith and credit of the City and are payable from any legally available funds of the City. The ad valorem tax rate available to pay these bonds is limited to the statutory and the constitutional limit as well as to the City's maximum operating levy.
- 4/ This is a medium-term lease that is subject to annual appropriations.
- 5/ Payable from legally available City revenues and subject to annual appropriations.
- 6/ Secured by assessments against property improved; the City's General Fund is contingently liable if collection of assessments is insufficient.
- 7/ Revenue Bonds secured by the subordinate pledge of 15% of Consolidated Tax Revenues.
- 8/ These revenue bonds do not constitute a debt or indebtedness of the City within the meaning of any constitutional or statutory provision or limitation and are not a general obligation of the City.

Source: City of Las Vegas Department of Finance

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The following table provides the debt service to maturity on the City's outstanding bonds.

TOTAL OUTSTANDING GENERAL OBLIGATION DEBT
Debt Service Requirements
As of June 30, 2020

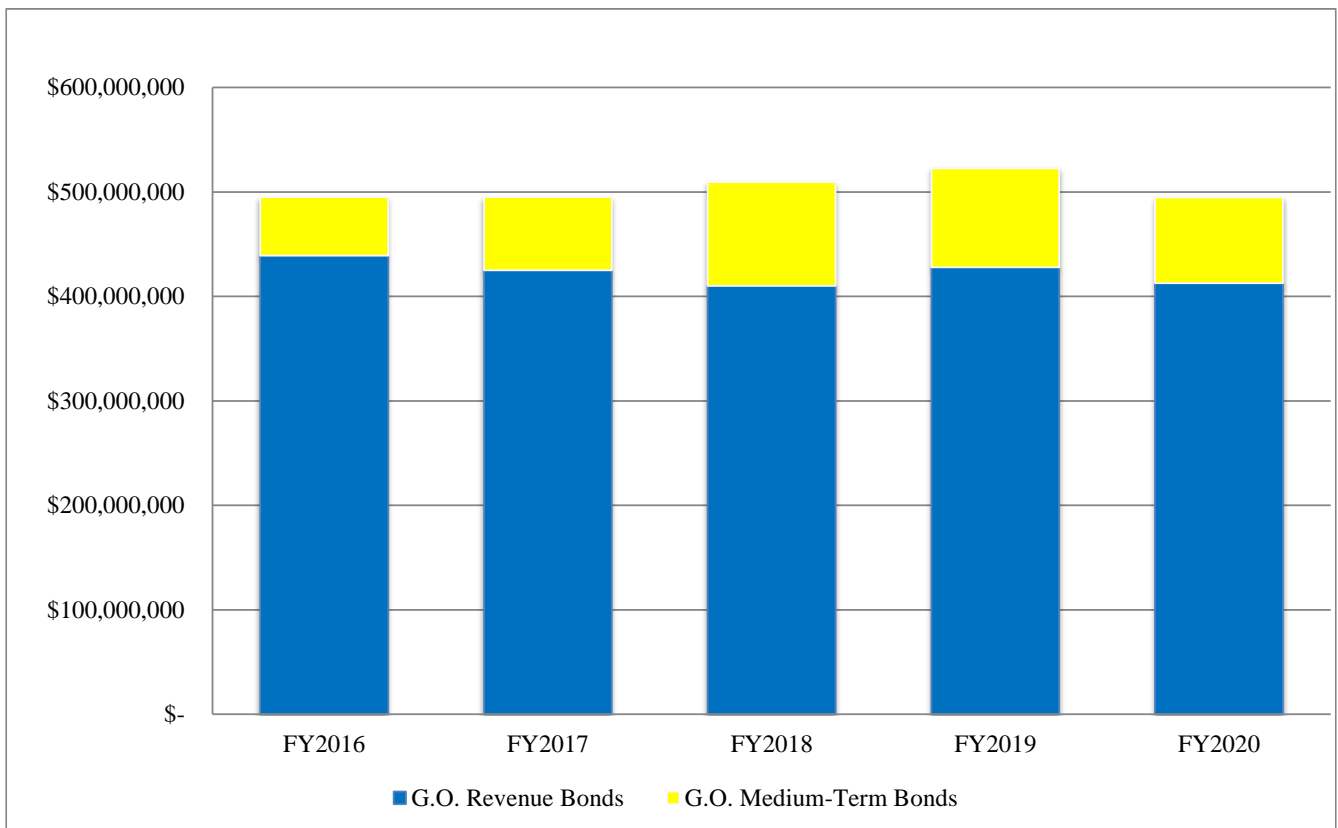
| Fiscal Year Ended 30-Jun | General Obligation Revenue Bonds | | General Obligation Medium-Term Bonds | | Grand Total |
|--------------------------------|-------------------------------------|-----------------------|---|----------------------|-----------------------|
| | Principal | Interest | Principal | Interest | |
| 2021 | \$ 18,930,000 | \$ 17,378,244 | \$ 12,985,000 | \$ 2,815,934 | \$ 52,109,178 |
| 2022 | 17,495,000 | 16,528,394 | 13,495,000 | 2,326,696 | 49,845,090 |
| 2023 | 17,295,000 | 15,709,223 | 9,735,000 | 1,909,428 | 44,648,651 |
| 2024 | 17,350,000 | 14,881,148 | 10,095,000 | 1,559,878 | 43,886,026 |
| 2025 | 17,385,000 | 14,032,301 | 10,440,000 | 1,203,459 | 43,060,760 |
| 2026 | 18,095,000 | 13,164,601 | 10,800,000 | 847,788 | 42,907,389 |
| 2027 | 18,885,000 | 12,280,851 | 8,140,000 | 519,075 | 39,824,926 |
| 2028 | 21,085,000 | 11,375,126 | 5,660,000 | 256,320 | 38,376,446 |
| 2029 | 22,035,000 | 10,423,288 | 785,000 | 23,550 | 33,266,838 |
| 2030 | 23,940,000 | 9,484,932 | - | - | 33,424,932 |
| 2031 | 24,865,000 | 8,384,682 | - | - | 33,249,682 |
| 2032 | 26,340,000 | 7,240,057 | - | - | 33,580,057 |
| 2033 | 26,350,000 | 6,120,207 | - | - | 32,470,207 |
| 2034 | 27,315,000 | 5,143,157 | - | - | 32,458,157 |
| 2035 | 22,395,000 | 4,080,094 | - | - | 26,475,094 |
| 2036 | 23,240,000 | 3,234,369 | - | - | 26,474,369 |
| 2037 | 18,535,000 | 2,406,919 | - | - | 20,941,919 |
| 2038 | 19,230,000 | 1,715,319 | - | - | 20,945,319 |
| 2039 | 19,950,000 | 989,850 | - | - | 20,939,850 |
| 2040 | 11,840,000 | 236,800 | - | - | 12,076,800 |
| TOTAL | \$ 412,555,000 | \$ 174,809,562 | \$ 82,135,000 | \$ 11,462,128 | \$ 680,961,690 |



The following table and chart illustrates the amount of general obligation bonds, as well as categories of bonds, outstanding as of June 30 for the past five years.

| Category of Bonds | Fiscal Year Ending June 30 ^{1/} | | | | |
|------------------------|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 |
| G.O. Revenue Bonds | \$ 439,080,000 | \$ 424,985,000 | \$ 410,070,000 | \$ 427,885,000 | \$ 412,555,000 |
| G.O. Medium-Term Bonds | 55,925,000 | 70,185,000 | 99,465,000 | 94,645,000 | 82,135,000 |
| TOTAL GO BONDS | \$ 495,005,000 | \$ 495,170,000 | \$ 509,535,000 | \$ 522,530,000 | \$ 494,690,000 |

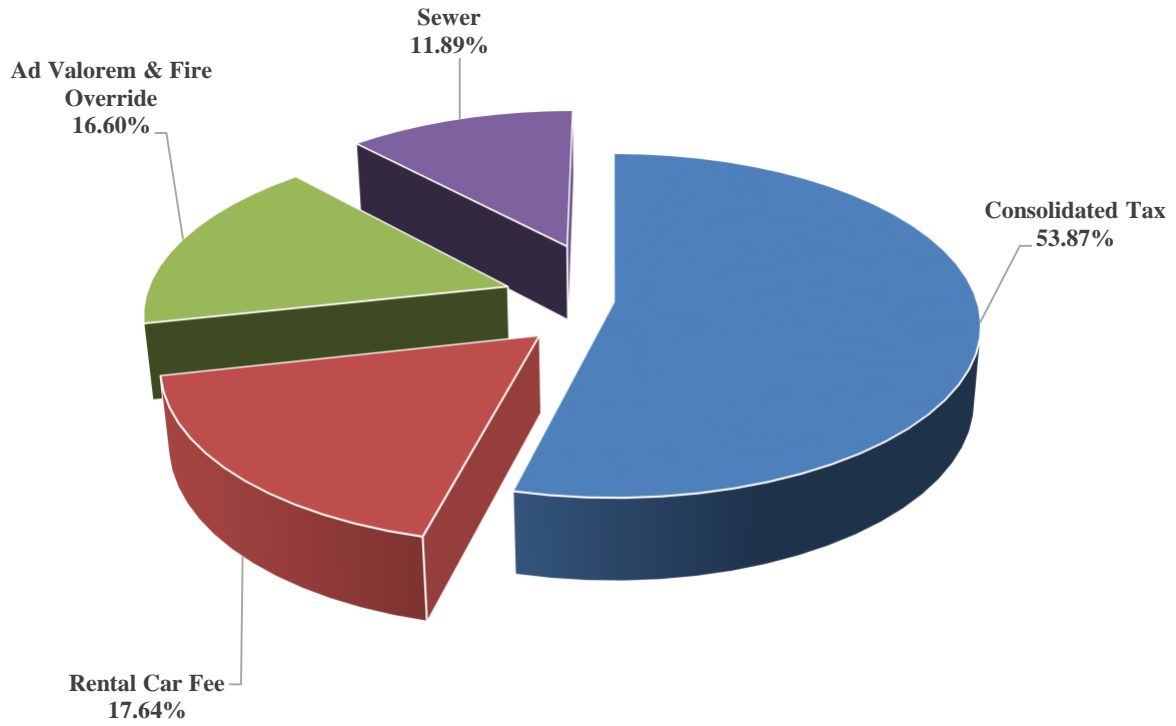
1/ Excludes other obligations.





**COMPOSITION OF OUTSTANDING GENERAL OBLIGATION DEBT
By Repayment Source
As of June 30, 2020**

Debt Pledged by Revenue Source





AFFORDABILITY OF DEBT

Response to NRS 350.013 1(c):

- (1) *A discussion of its ability to afford existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt; and*
- (6) *A discussion of its sources of money projected to be available to pay existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt*

General Obligation Bond Indebtedness

The City has authority pursuant to Nevada state statutes and its City Charter to issue general obligation bonds. Ad valorem bonds constitute direct and general obligations of the City, and the full faith and credit of the City is pledged for the payment of principal and interest, subject to Nevada constitutional and statutory limitations on the aggregate amount of ad valorem taxes.

In any year in which the total property taxes levied within the City by all applicable taxing units (e.g. the State of Nevada, Clark County, the school district, any city, or any special district) exceed such property tax limitations, the reduction to be made by those units must be in property taxes levied for purposes other than the payment of their bonded indebtedness, including interest on such indebtedness.

Nevada statutes provide that no act concerning the City's bonds or their security may be repealed, amended, or modified in such a manner as to impair adversely the bonds or their security until all of the bonds have been discharged in full or provision for their payment and redemption has been fully made.

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GENERAL OBLIGATION BONDS

Existing, Authorized and Proposed General Obligation Bonded Indebtedness Paid from Ad Valorem Taxes ("General Obligation Bonds")

The General Obligation Bonds are direct and general obligations of the City, and the full faith and credit of the City is pledged for the payment of principal and interest, subject to Nevada constitutional and statutory limitations on the aggregate amount of ad valorem taxes that may be levied and statutory limitations on the City's operating tax rate. General Obligation Bonds are a debt of the City payable from all legally available funds of the City.

No Authorized and Proposed Future Ad Valorem Tax Supported Bonds

The City does not currently have authorization from its electorate to issue additional general obligation bonds paid from ad valorem taxes. However, the City reserves the privilege of issuing bonds or other securities at any time legal requirements are satisfied.

General Obligation Bonded Indebtedness

The City has no outstanding general obligation bonded indebtedness paid from ad valorem taxes as of June 30, 2020.

GENERAL OBLIGATION MEDIUM-TERM BONDS

Existing, Authorized and Proposed General Obligation Bonded Indebtedness Paid from the General Fund and Other Legally Available Funds ("Medium-Term Bonds")

The Medium-Term Bonds constitute direct and general obligations of the City, and the full faith and credit of the City is pledged for the payment of principal and interest, subject to Nevada constitutional and statutory limitations regarding the City's operating ad valorem levy. The ad valorem tax levy available to pay the Medium-Term Bonds is limited to the City's maximum operating levy. The City's operating levy for fiscal year 2021 is \$0.7715 which includes \$0.0950 in voter approved overrides. The ad valorem tax rate available to pay the bonds is further limited by the limitation on the combined overlapping tax rate of \$3.64 per \$100 of assessed valuation. The Medium-Term Bonds are a debt of the City and the City shall pledge all legally available funds of the City for their payment.

Provision for the payment of principal and interest requirements on the Medium-Term Bonds is as provided in NRS 350.093 through 350.095. Nevada statutes provide that no act concerning the Medium-Term Bonds or their security may be repealed, amended, or modified in such a manner as to impair materially and adversely the Medium-Term Bonds or their security until all of the Medium-Term Bonds have been discharged in full or provision for their payment has been fully made.

No Authorized and Proposed Future Medium-Term Bonds

The City does not currently expect to issue additional general obligation medium-term bonds. However, the City reserves the privilege of issuing bonds or other securities at any time legal requirements are satisfied.



Medium-Term Bonded Indebtedness

The following table sets forth the City’s existing medium-term bonded indebtedness as of June 30, 2020.

**OUTSTANDING
MEDIUM-TERM INDEBTEDNESS
As of June 30, 2020**

| | Date of Issuance | Maturity Date | Original Amount | Principal Outstanding |
|---|--------------------------|----------------------|-------------------------------|------------------------------|
| <u>EXISTING MEDIUM-TERM GENERAL OBLIGATION BONDS</u> | | | | |
| Various Purpose Bonds, Series 2011A | 12/1/2011 | 12/1/2021 | \$ 27,590,000 | \$ 6,285,000 |
| Medium Term Bonds, Series 2012A | 5/1/2012 | 5/1/2022 | 8,115,000 | 1,765,000 |
| Medium Term Recreation Projects Bonds, Series 2015A | 9/15/2015 | 9/1/2025 | 26,000,000 | 16,745,000 |
| Medium Term Various Purpose Bonds, Series 2016D | 12/15/2016 | 12/1/2026 | 22,930,000 | 17,090,000 |
| Various Purpose Bonds, Series 2018A | 6/7/2018 | 6/1/2028 | 19,495,000 | 16,305,000 |
| Various Purpose Bonds, Series 2018B (Taxable) | 6/7/2018 | 6/1/2028 | 21,615,000 | 17,790,000 |
| Medium Term Bonds, Series 2019B | 2/13/2019 | 2/1/2029 | 6,705,000 | 6,155,000 |
| | TOTAL OUTSTANDING | | | 82,135,000 |
| <u>OTHER MEDIUM-TERM OBLIGATIONS</u> | | | | |
| Lease Purchase Agreement (Phone System), Series 2018 | 9/21/2018 | 10/21/2023 | 2,626,725 | 1,754,720 |
| | TOTAL OUTSTANDING | | | 1,754,720 |
| | | | TOTAL OUTSTANDING DEBT | \$ 83,889,720 |

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Medium-Term Debt Service Requirements

The following table illustrates the debt service requirements on the City's existing and future general obligation medium-term bonds.

**EXISTING GENERAL OBLIGATION MEDIUM-TERM BONDS
DEBT SERVICE REQUIREMENTS
As of June 30, 2020**

| Fiscal Year | Existing Bonds Debt Service | | |
|--------------|-----------------------------|----------------------|----------------------|
| | Principal | Interest | Total |
| 2021 | \$ 12,985,000 | \$ 2,815,934 | 15,800,934 |
| 2022 | 13,495,000 | 2,326,696 | 15,821,696 |
| 2023 | 9,735,000 | 1,909,428 | 11,644,428 |
| 2024 | 10,095,000 | 1,559,878 | 11,654,878 |
| 2025 | 10,440,000 | 1,203,459 | 11,643,459 |
| 2026 | 10,800,000 | 847,788 | 11,647,788 |
| 2027 | 8,140,000 | 519,075 | 8,659,075 |
| 2028 | 5,660,000 | 256,320 | 5,916,320 |
| 2029 | 785,000 | 23,550 | 808,550 |
| TOTAL | \$ 82,135,000 | \$ 11,462,128 | \$ 93,597,128 |

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Ad Valorem Tax Rate Impact

Principal and interest on the Medium-Term Bonds is secured by General Fund operating revenues. The following table illustrates the sufficiency of General Fund revenues at existing levels to pay debt service on the medium-term bonds.

GENERAL FUND STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

| Fiscal Year Ended June 30 | 2016 (Audited) | 2017 (Audited) | 2018 (Audited) | 2019 (Audited) | 2020 (Estimated) | 2021 (Budgeted) |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| REVENUES | | | | | | |
| Taxes | \$ 87,378,322 | \$ 88,766,620 | \$ 93,041,233 | \$ 97,879,445 | \$ 103,630,000 | \$ 107,920,249 |
| Licenses and Permits | 86,467,484 | 82,704,946 | 89,436,459 | 98,382,009 | 91,153,440 | 93,374,935 |
| Consolidated Tax | 271,991,653 | 286,365,052 | 302,104,555 | 323,848,791 | 295,597,644 | 236,961,720 |
| Intergovernmental Revenue | 5,982,317 | 5,366,893 | 4,592,122 | 4,737,386 | 6,133,861 | 6,567,470 |
| Charges for Services | 42,282,632 | 40,350,594 | 40,830,390 | 44,836,044 | 41,350,614 | 37,149,644 |
| Fines & Forfeitures | 13,053,844 | 12,925,921 | 12,460,855 | 12,225,807 | 9,935,000 | 11,935,000 |
| Interest | 1,237,880 | 89,884 | 358,553 | 5,463,362 | 1,500,000 | 1,530,000 |
| Miscellaneous | 3,182,584 | 7,476,844 | 3,899,944 | 4,662,577 | 4,064,033 | 17,121,104 |
| TOTAL REVENUES | 511,576,716 | 524,046,754 | 546,724,111 | 592,035,421 | 553,364,592 | 512,560,122 |
| EXPENDITURES ^{1/} | | | | | | |
| General Government | 53,172,766 | 55,673,427 | 60,374,674 | 59,353,491 | 64,124,285 | 63,185,183 |
| Judicial | 26,109,553 | 26,424,148 | 27,557,893 | 26,936,624 | 27,338,363 | 26,534,131 |
| Public Safety | 345,051,422 | 348,236,816 | 369,057,142 | 384,371,555 | 406,000,622 | 389,081,412 |
| Public Works | 11,082,459 | 11,293,035 | 12,746,737 | 11,949,183 | 11,623,114 | 9,405,193 |
| Health | 4,149,919 | 4,306,236 | 5,010,846 | 5,086,268 | 6,370,057 | 7,109,647 |
| Culture & Recreation | 44,171,247 | 44,900,609 | 46,264,597 | 47,384,573 | 50,475,450 | 47,657,665 |
| Economic Development | 4,571,852 | 4,799,453 | 5,945,012 | 6,444,118 | 8,172,854 | 7,670,344 |
| TOTAL EXPENDITURES | 488,309,218 | 495,633,724 | 526,956,901 | 541,525,812 | 574,104,745 | 550,643,575 |
| Excess (deficiency) of revenues over expenditures | 23,267,498 | 28,413,030 | 19,767,210 | 50,509,609 | (20,740,153) | (38,083,453) |
| Other Financing Sources (Uses) | | | | | | |
| Operating Transfers In ^{2/} | 10,021,260 | 11,716,671 | 12,868,551 | 12,967,682 | 118,902,433 | 45,233,939 |
| Operating Transfers Out ^{2/} | (28,030,950) | (41,805,144) | (26,120,439) | (41,982,214) | (94,655,618) | (21,200,000) |
| Sales of General Fixed Assets | - | 689,491 | 1,405 | 8,265 | 8,146,680 | 500,000 |
| Total Other Financing Sources (Uses) | (18,009,690) | (29,398,982) | (13,250,483) | (29,006,267) | 32,393,495 | 24,533,939 |
| Net Changes in Fund Balances | 5,257,808 | (985,952) | 6,516,727 | 21,503,342 | 11,653,342 | (13,549,514) |
| Fund Balances, July 1 | 107,830,063 | 113,087,871 | 112,101,955 | 118,618,682 | 140,122,024 | 151,775,366 |
| Fund Balances, June 30 | \$ 113,087,871 | \$ 112,101,955 | \$ 118,618,682 | \$ 140,122,024 | \$ 151,775,366 | \$ 138,225,852 |

1/ Includes capital outlay expenditures as well as current expenditures in certain of the categories shown.

2/ Transfers in/out are for various obligations within the City of Las Vegas.

SOURCE: City of Las Vegas Comprehensive Annual Financial Reports for fiscal years 2016-2019 and the 2021 Final Budget



**GENERAL OBLIGATION/REVENUE BONDS
PAID FROM CONSOLIDATED TAX REVENUES**

**Existing General Obligation Bond Indebtedness
Paid from Consolidated Tax Revenues (“Consolidated Tax Bonds”)**

The Consolidated Tax Bonds are general obligation bonds additionally secured with revenues derived from a 15% portion of the City's portion of the Consolidated Tax Revenue.

Pursuant to NRS 360.698, the Bonds will be additionally secured by a pledge of certain tax revenues up to 15% of the Consolidated Tax Distribution Fund allocable to the City for the payment of the principal of and interest on the Bonds. The Consolidated Tax Distribution Fund consists of local government revenues from six sources (collectively, the "Consolidated Tax Revenues"): Supplemental City/County Relief Tax ("SCCRT"), Basic City/County Relief Tax ("BCCRT"), Cigarette Tax, Liquor Tax, Governmental Services Tax ("GST"), and Real Property Transfer Tax ("RPTT"). NRS 360.698 allows for up to 15% of the combination of the Consolidated Tax Revenues to be pledged as security for debt. Senate Bill 254 of the 1997 Legislature amended NRS 377.080, (which was replaced in revision by NRS 360.698) which previously authorized a pledge of up to 15% of SCCRT. Pursuant to the provisions of Senate Bill 254, pledges of SCCRT made prior to the effective date were replaced by a pledge of the combined revenues as of July 1, 1998.

Consolidated Tax Revenues for fiscal year 2021 is budgeted to be \$236,961,720. The City's policy is to use only 90% of the State mandated 15% of Consolidated Tax Revenue for debt. Based on the 2021 budget, this amounts to approximately \$31,989,832 per year available for debt service payments.

Authorized and Proposed Future Consolidated Tax Bonds

The City plans to seek authorization to issue \$20 million in parking garage bonds. The City reserves the privilege of issuing bonds or other securities at any time legal requirements are satisfied.

It should be noted that the issuance of these bonds are dependent on development activity and are considered a placeholder which is consistent with our Five Year Capital Improvement Plan. In the FY2019 Debt Management Policy we also included \$20 million in parking garage bonds that were never issued. The bonds referenced above are a rollover of those bonds and not a new issuance.

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General Obligation Consolidated Tax Revenues Bonded Indebtedness

The following table sets forth the City's existing and future general obligation bonded indebtedness that is paid from consolidated tax revenues as of June 30, 2020.

**CONSOLIDATED TAX-SUPPORTED BONDS
As of June 30, 2020**

| | Issue Date | Maturity Date | Original Amount | Outstanding Amount |
|--|---------------|--------------------------|--------------------|-----------------------|
| <u>EXISTING GENERAL OBLIGATION BONDS</u> | | | | |
| <u>Parity Lien Bonds</u> | | | | |
| Main Street Parking Garage Refunding Bonds, Series 2014B | 12/4/2014 | 5/1/2034 | 8,985,000 | 7,105,000 |
| Various Purpose Refunding Bonds, Series 2015B (Taxable) | 9/15/2015 | 6/1/2024 | 11,090,000 | 5,430,000 |
| City Hall Refunding 2015C | 12/22/2015 | 9/1/2039 | 160,805,000 | 160,805,000 |
| Various Purpose Refunding Bonds, Series 2016B | 5/3/2016 | 6/1/2036 | 42,590,000 | 37,700,000 |
| Building Bonds, Series 2019A | 2/13/2019 | 2/1/2039 | 30,840,000 | 30,840,000 |
| Various Purpose Refunding Bonds, Series 2019C | 7/1/2019 | 6/1/2036 | 23,300,000 | 22,800,000 |
| | | TOTAL OUTSTANDING | | 264,680,000 |
| <u>Subordinate Lien Bonds</u>^{1/} | | | | |
| Golf Course Refunding Bonds, Series 2012B (Taxable) | 5/1/2012 | 6/1/2022 | 8,230,000 | 1,825,000 |
| <u>REVENUE OBLIGATION BONDS</u>^{2/} | | | | |
| Energy Conservation Revenue Bond, Series 2014 | 6/30/2014 | 7/30/2028 | 1,244,000 | 816,005 |
| <u>FUTURE CONSOLIDATED TAX SUPPORTED BONDS</u> | | | | |
| Parking Bonds | 2/1/2021 | 2/1/2041 | 20,000,000 | 20,000,000 |
| TOTAL OUTSTANDING AND PROPOSED DEBT \$ | | | | 287,321,005 |

1/ The Golf Course Refunding Bonds have a subordinate lien on the Consolidated Tax Pledged Revenue. They are additionally secured by pledged net revenues derived from the operations of the City's Durango Hills Golf Course.

2/ Revenue Bonds secured by the subordinate pledge of 15% of Consolidated Tax Revenues



General Obligation Consolidated Tax Revenues Debt Service Requirements

The following table illustrates the fiscal year debt service requirements on the City's existing and future general obligation revenue bonds paid from consolidated tax revenues.

**OUTSTANDING AND FUTURE
GENERAL OBLIGATION REVENUE BONDS DEBT SERVICE
PAID FROM CONSOLIDATED TAX REVENUES
As of June 30, 2020**

| Fiscal Year | Existing GO Revenue Bonds Debt Service | | | Future GO Revenue Bonds Debt Service ^{1/} | Total Debt Service |
|--------------|--|-----------------------|-----------------------|--|-----------------------|
| | Principal | Interest | Total | | |
| 2021 | \$ 9,550,000 | \$ 11,386,356 | \$ 20,936,356 | \$ - | \$ 20,936,356 |
| 2022 | 11,320,000 | \$ 10,970,506 | 22,290,506 | 1,605,000 | 23,895,506 |
| 2023 | 10,815,000 | \$ 10,460,085 | 21,275,085 | 1,604,750 | 22,879,835 |
| 2024 | 10,545,000 | \$ 9,956,010 | 20,501,010 | 1,603,000 | 22,104,010 |
| 2025 | 10,235,000 | \$ 9,447,413 | 19,682,413 | 1,604,750 | 21,287,163 |
| 2026 | 10,590,000 | \$ 8,937,213 | 19,527,213 | 1,604,750 | 21,131,963 |
| 2027 | 11,005,000 | \$ 8,428,713 | 19,433,713 | 1,603,000 | 21,036,713 |
| 2028 | 12,810,000 | \$ 7,916,988 | 20,726,988 | 1,604,500 | 22,331,488 |
| 2029 | 13,425,000 | \$ 7,297,900 | 20,722,900 | 1,604,000 | 22,326,900 |
| 2030 | 15,025,000 | \$ 6,667,413 | 21,692,413 | 1,606,500 | 23,298,913 |
| 2031 | 15,550,000 | \$ 5,966,813 | 21,516,813 | 1,606,750 | 23,123,563 |
| 2032 | 16,605,000 | \$ 5,239,988 | 21,844,988 | 1,604,750 | 23,449,738 |
| 2033 | 16,225,000 | \$ 4,509,538 | 20,734,538 | 1,605,500 | 22,340,038 |
| 2034 | 16,840,000 | \$ 3,885,588 | 20,725,588 | 1,603,750 | 22,329,338 |
| 2035 | 16,890,000 | \$ 3,188,075 | 20,078,075 | 1,604,500 | 21,682,575 |
| 2036 | 17,575,000 | \$ 2,507,500 | 20,082,500 | 1,607,500 | 21,690,000 |
| 2037 | 12,695,000 | \$ 1,850,000 | 14,545,000 | 1,607,500 | 16,152,500 |
| 2038 | 13,215,000 | \$ 1,333,600 | 14,548,600 | 1,604,500 | 16,153,100 |
| 2039 | 13,750,000 | \$ 796,100 | 14,546,100 | 1,603,500 | 16,149,600 |
| 2040 | 11,840,000 | \$ 236,800 | 12,076,800 | 1,604,250 | 13,681,050 |
| 2041 | | | | 1,606,500 | 1,606,500 |
| Total | \$ 266,505,000 | \$ 120,982,599 | \$ 387,487,599 | \$ 32,099,250 | \$ 419,586,849 |

1/ Assumes a par amount of \$20 million of future Consolidated Tax Bonds with an estimated interest rate of 5.0%.



Ad Valorem Tax Rate Impact

The following table illustrates the sufficiency of consolidated tax revenues at existing levels to pay debt service on the Consolidated Tax Bonds.

CONSOLIDATED TAX PLEDGED REVENUES

| Fiscal Year Ended June 30 | Consolidated Tax Revenues ^{1/} | Pledged Revenue Limitation (15%) | Existing G.O. Revenue Bonds Debt Service ^{2/} | Coverage (times) |
|---------------------------|---|----------------------------------|--|------------------|
| 2016 | 271,991,653 | 40,798,748 | 9,826,316 | 4.15 |
| 2017 | 286,365,052 | 42,954,758 | 17,621,286 | 2.44 |
| 2018 | 302,104,555 | 45,315,683 | 17,558,291 | 2.58 |
| 2019 | 323,848,791 | 48,577,319 | 17,498,791 | 2.78 |
| 2020 | 295,597,644 | 44,339,647 | 16,472,044 | 2.69 |
| 2021 | 236,961,720 | 35,544,258 | 20,936,356 | 1.70 |

1/ Fiscal year 2020 is estimated and fiscal year 2021 is budgeted.

2/ Represents the debt service on the general obligation revenue bonds supported by consolidated tax revenues. Excludes debt service on the Series 2014 Revenue Bonds.

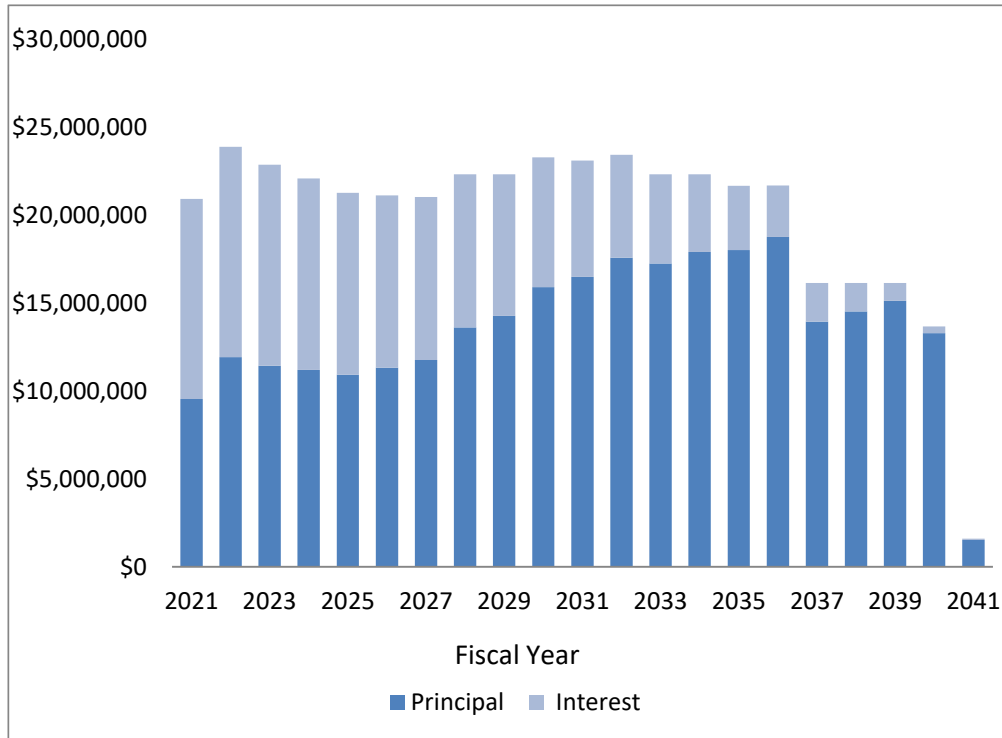
SOURCE: City of Las Vegas Comprehensive Annual Financial Reports for fiscal years 2016-2019 and the 2021 Final Budget.

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The following chart illustrates the fiscal year debt service requirements on the City's outstanding and future general obligation bonds paid from consolidated tax revenues.

**OUTSTANDING AND FUTURE GENERAL OBLIGATION REVENUE BONDS
DEBT SERVICE PAID FROM CONSOLIDATED TAX REVENUES
As of June 30, 2020**



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GENERAL OBLIGATION REVENUE BONDS
PAID FROM SANITATION ENTERPRISE FUND REVENUES

Existing General Obligation Bond Indebtedness
Paid from Sanitation Enterprise Fund Revenues ("Sewer Bonds")

The Sewer Bonds are general obligation bonds additionally secured by an irrevocable pledge of the net pledged revenues received by the City in connection with the ownership and operation of the City's sewer system.

The City covenants in its bond ordinances to fix and collect rates and other charges for the services or commodities pertaining to the utility system in amounts sufficient to pay the operation and maintenance expenses of the sewer system and any debt service of its outstanding Sewer Bonds.

No Authorized and Proposed Future Sewer System Revenue Supported Debt

The City does not currently expect to issue additional general obligation bonds paid from Sanitation Enterprise Fund revenues in the near future. However, the City reserves the privilege of issuing bonds or other securities at any time legal requirements are satisfied.

General Obligation Sanitation Enterprise Fund Revenues Bonded Indebtedness

The following table sets forth the City's bonded indebtedness for its outstanding general obligation bonds paid from sewer system revenues as of June 30, 2020.

SANITATION ENTERPRISE FUND/SEWER BONDS
As of June 30, 2020

Table with 5 columns: Issue, Date Issued, Maturity Date, Principal Amount, Amount Outstanding. Rows include Sewer Bonds, Series 2014A; Sewer Refunding Bonds, Series 2016C; and TOTAL OUTSTANDING \$ 58,810,000.

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General Obligation Sanitation Enterprise Fund Revenues Debt Service Requirements

The following table and chart illustrate the fiscal year debt service requirements on the City’s existing general obligation bonds paid from sewer system revenues.

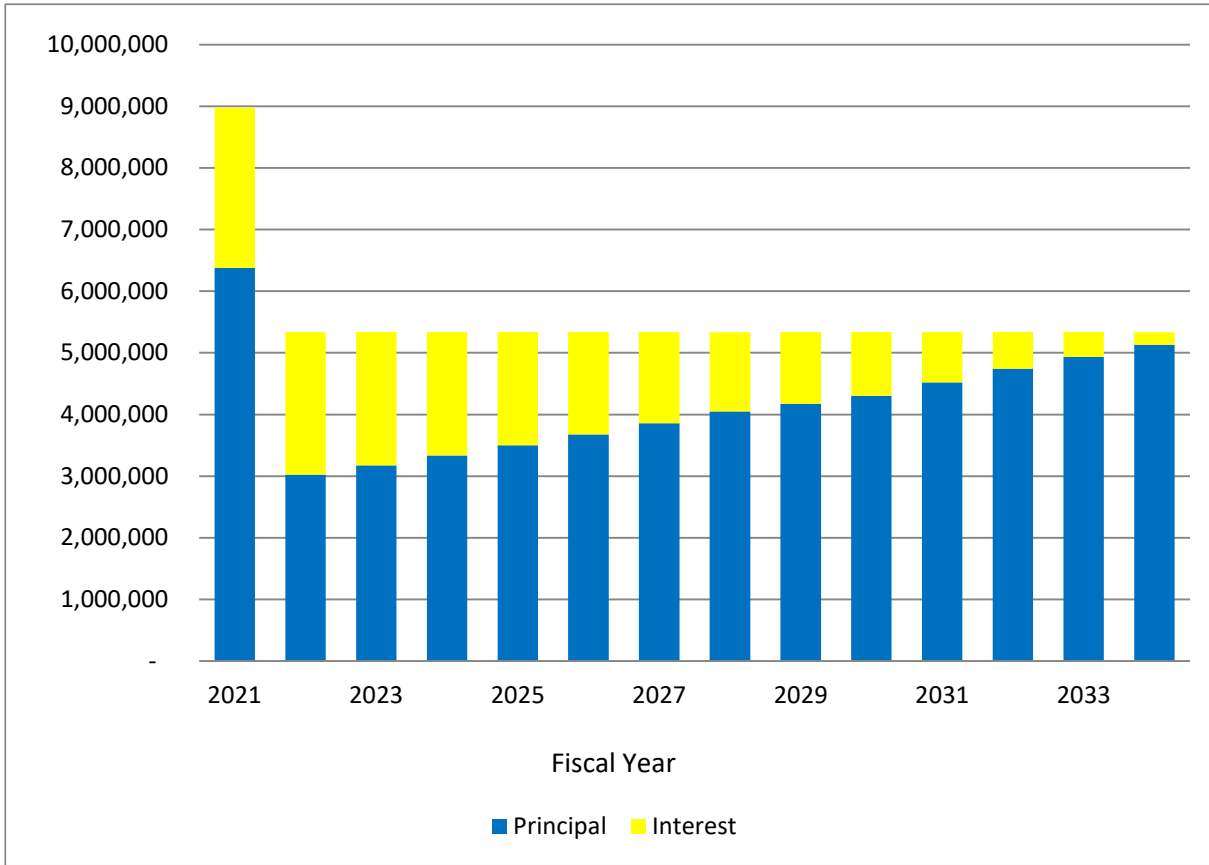
**EXISTING GENERAL OBLIGATION BONDS DEBT SERVICE
PAID FROM SANITATION ENTERPRISE FUND REVENUES
As of June 30, 2020**

| Fiscal Year | Existing Bonds Debt Service | | |
|--------------|-----------------------------|----------------------|----------------------|
| | Principal | Interest | Total |
| 2021 | 6,380,000 | 2,598,119 | 8,978,119 |
| 2022 | 3,025,000 | 2,314,119 | 5,339,119 |
| 2023 | 3,175,000 | 2,162,869 | 5,337,869 |
| 2024 | 3,335,000 | 2,004,119 | 5,339,119 |
| 2025 | 3,500,000 | 1,837,369 | 5,337,369 |
| 2026 | 3,675,000 | 1,662,369 | 5,337,369 |
| 2027 | 3,860,000 | 1,478,619 | 5,338,619 |
| 2028 | 4,050,000 | 1,285,619 | 5,335,619 |
| 2029 | 4,175,000 | 1,164,119 | 5,339,119 |
| 2030 | 4,305,000 | 1,033,650 | 5,338,650 |
| 2031 | 4,520,000 | 818,400 | 5,338,400 |
| 2032 | 4,745,000 | 592,400 | 5,337,400 |
| 2033 | 4,935,000 | 402,600 | 5,337,600 |
| 2034 | 5,130,000 | 205,200 | 5,335,200 |
| Total | \$ 58,810,000 | \$ 19,559,571 | \$ 78,369,571 |

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**EXISTING GENERAL OBLIGATION BONDS DEBT SERVICE
PAID FROM SANITATION ENTERPRISE FUND REVENUES
As of June 30, 2020**



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***Ad Valorem Tax Rate Impact***

Principal and interest on the Sewer Bonds is payable from the pledged revenues of the Sanitation Enterprise Fund. There is no impact on the ad valorem tax rate so long as net pledged revenues are sufficient to pay debt service.

The following table illustrates the City's pledged sewer system revenues.

NET PLEDGED REVENUES SANITATION ENTERPRISE FUND

| Fiscal Year Ended June 30 | 2016 (Audited) | 2017 (Audited) | 2018 (Audited) | 2019 (Audited) | 2020 (Estimated) | 2021 (Budgeted) |
|---|---------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|----------------------------|
| Operating Revenue | | | | | | |
| Sewer Charges to Citizens ^{1/} | \$ 88,768,994 | \$ 90,687,653 | \$ 91,995,910 | \$ 94,521,106 | \$ 96,176,116 | \$ 96,037,516 |
| Miscellaneous | 47,766 | 26,962 | 47,534 | 66,936 | 24,520 | 65,000 |
| Total operating revenue | 88,816,760 | 90,714,615 | 92,043,444 | 94,588,042 | 96,200,636 | 96,102,516 |
| Operating Expenses ^{2/} | | | | | | |
| Salaries and benefits | 24,496,580 | 25,960,357 | 27,489,744 | 29,168,056 | 33,075,723 | 33,713,290 |
| Services and Supplies | 38,709,150 | 35,439,664 | 37,347,862 | 39,336,869 | 41,998,113 | 46,059,772 |
| Total Operating expenses | 63,205,730 | 61,400,021 | 64,837,606 | 68,504,925 | 75,073,836 | 79,773,062 |
| Non-operating revenue (expenses) ^{3/} | | | | | | |
| Connection Charges | 10,384,867 | 7,810,196 | 9,623,491 | 9,706,846 | 12,670,074 | 7,000,000 |
| Interest Income | 2,191,410 | 613,466 | 806,919 | 4,981,855 | 1,775,253 | 2,595,344 |
| Other | 7,457,091 | 7,859,673 | 8,102,749 | 8,708,829 | 7,236,991 | 8,000,000 |
| Total non-operating Revenue (exp) | 20,033,368 | 16,283,335 | 18,533,159 | 23,397,530 | 21,682,318 | 17,595,344 |
| REVENUES LESS EXPENSES | 45,644,398 | 45,597,929 | 45,738,997 | 49,480,647 | 42,809,118 | 33,924,798 |
| DEBT SERVICE | \$ 7,813,852 | \$ 11,134,869 | \$ 11,545,819 | \$ 8,975,419 | \$ 8,974,769 | \$ 8,978,119 |
| COVERAGE (times) | 5.84 | 4.10 | 3.96 | 5.51 | 4.77 | 3.78 |

1/ On July 1, 2013 the City changed from an annual billing to a quarterly billing cycle. Revenue is now recognized when earned rather than when payment was received. The City has implemented a policy of increasing sewer rates on the first day of each January by the lesser of 5% or the average percentage of the preceding five years of increases on the Consumer Price Index. Pursuant to such policy, the City increased rates by 1.5% on January 1, 2020.

2/ Operating expenses do not include depreciation expense.

3/ Non-Operating revenues (expenses) do not include the following items: gain or loss on sale of fixed assets, capital contributions and interest expense.

SOURCE: City of Las Vegas Comprehensive Annual Financial Reports for fiscal years 2016-2019 and the 2021 Final Budget.



**GENERAL OBLIGATION/REVENUE BONDS
PAID FROM BY RENTAL CAR FEE REVENUES**

**Existing General Obligation Bond Indebtedness
Paid from by Rental Car Fee Revenues (“Rental Car Fee Bonds”)**

The rental car fee revenue bonds are secured by a pledge of revenues defined in the bond ordinance as the "Pledged Rental Car Fees," as that term is defined in the Second Amended and Restated Interlocal Agreement Regarding the Distribution of Taxes for a Performing Arts Center dated as of April 1, 2008, between the City and Clark County (the "Interlocal Agreement"). The Interlocal Agreement defines "Rental Car Fee" as a fee imposed by Clark County ("the County") upon the lease of a passenger car by a short-term lessor in the County in the amount of not more than 2% of the total amount for which the passenger car was leased, excluding any taxes or other fees imposed by a governmental entity.

The County imposed the Rental Car Fee in the amount of 2% pursuant to NRS 244A.860 and Sections 4.28.020 through 4.28.050 of the County Code (the "Rental Car Fee Ordinance"), effective July 1, 2005. The "Pledged Rental Car Fees" are amounts remaining after (i) a required distribution by the County of the initial \$3 million of Rental Car Fee proceeds were distributed to the Culinary and Hospitality Academy of Las Vegas (the "Culinary Academy") for the planning, design and construction of a facility for vocational training in southern Nevada; and (ii) the reimbursement of the State Department of Taxation for its expense in collecting and administering the Rental Car Fee. The required distribution to the Culinary Academy has been made.

No Authorized and Proposed Future Rental Car Fee Revenue Supported Debt

The City does not currently expect to issue additional general obligations bonds secured with rental car fee revenues. However, the City reserves the privilege of issuing the bonds or other securities at any time legal requirements are satisfied.

General Obligation Rental Car Fee Revenue Bonded Indebtedness

The following table sets forth the City’s bonded indebtedness for its outstanding general obligation bonds paid from rental car fee revenues as of June 30, 2020.

**RENTAL CAR FEE BONDS
As of June 30, 2020**

| Issue | Date Issued | Maturity Date | Principal Amount | Amount Outstanding |
|--|--------------------|----------------------|-------------------------|---------------------------|
| Performing Arts Center Refunding Bonds, Series 2016A | 5/3/2016 | 6/1/2039 | 90,100,000 | 87,240,000 |
| TOTAL OUTSTANDING | | | \$ | 87,240,000 |



General Obligation Rental Car Fee Revenue Debt Service Requirements

The following table sets forth (i) fiscal year debt service requirements for the County Revenue Bond outstanding with a par amount of \$10,000; and (ii) the debt service requirements for the Rental Car Fee Bonds in each fiscal year. Principal on the County Revenue Bond will be payable at maturity on April 1, 2059, or when the debt is paid in full; accordingly, only interest payments due while the Rental Car Fee Bonds, supported by rental car fee revenues, are outstanding are reflected in this table.

**OUTSTANDING GENERAL OBLIGATION BONDS DEBT SERVICE
SUPPORTED BY RENTAL CAR FEE REVENUES
As of June 30, 2020**

| Fiscal Year Ending 30-Jun | Debt Service on County Revenue Bond ^{1/2/} | The Bonds | | | Total Debt Service |
|---------------------------------|---|----------------------|----------------------|-----------------------|-----------------------|
| | | Principal | Interest | Total | |
| 2021 | 583 | 3,000,000 | 3,393,769 | 6,393,769 | 6,394,352 |
| 2022 | 583 | 3,150,000 | 3,243,769 | 6,393,769 | 6,394,352 |
| 2023 | 583 | 3,305,000 | 3,086,269 | 6,391,269 | 6,391,852 |
| 2024 | 583 | 3,470,000 | 2,921,019 | 6,391,019 | 6,391,602 |
| 2025 | 583 | 3,650,000 | 2,747,519 | 6,397,519 | 6,398,102 |
| 2026 | 583 | 3,830,000 | 2,565,019 | 6,395,019 | 6,395,602 |
| 2027 | 583 | 4,020,000 | 2,373,519 | 6,393,519 | 6,394,102 |
| 2028 | 583 | 4,225,000 | 2,172,519 | 6,397,519 | 6,398,102 |
| 2029 | 583 | 4,435,000 | 1,961,269 | 6,396,269 | 6,396,852 |
| 2030 | 583 | 4,610,000 | 1,783,869 | 6,393,869 | 6,394,452 |
| 2031 | 583 | 4,795,000 | 1,599,469 | 6,394,469 | 6,395,052 |
| 2032 | 583 | 4,990,000 | 1,407,669 | 6,397,669 | 6,398,252 |
| 2033 | 583 | 5,190,000 | 1,208,069 | 6,398,069 | 6,398,652 |
| 2034 | 583 | 5,345,000 | 1,052,369 | 6,397,369 | 6,397,952 |
| 2035 | 583 | 5,505,000 | 892,019 | 6,397,019 | 6,397,602 |
| 2036 | 583 | 5,665,000 | 726,869 | 6,391,869 | 6,392,452 |
| 2037 | 583 | 5,840,000 | 556,919 | 6,396,919 | 6,397,502 |
| 2038 | 583 | 6,015,000 | 381,719 | 6,396,719 | 6,397,302 |
| 2039 | 583 | 6,200,000 | 193,750 | 6,393,750 | 6,394,333 |
| 2040 | 583 | - | - | - | 583 |
| TOTAL | \$ 11,660 | \$ 87,240,000 | \$ 34,267,392 | \$ 121,507,392 | \$ 121,519,052 |

- 1/ Only interest will be paid on the County Revenue Bond until its maturity date, which is after the maturity of the Rental Car Fee Bonds. As a result, only interest payments to be made during the term of the rental car fee bonds are reflected here. Interest payments will be made on April 1 and October 1 of each year.
- 2/ The interest rate on the County Revenue Bond was calculated based on *The Bond Buyer's* 30-year tax-exempt revenue bond index next most recently published before the adoption of the ordinance authorizing the County Revenue Bond. That index is based on revenue bonds of 25 issuers rated from "Aa1" to "Baa1" by Moody's and from "AA" to "BBB+" by S&P. Bonds in the index include housing, transportation, hospital and power revenue bonds. The rate on the County Revenue Bond was set based on the index as of March 12, 2009, at a rate of 5.83%.



Ad Valorem Tax Rate Impact

Principal and interest on the Rental Car Fee Bonds is payable from the rental car fee revenues derived from the rental car fees imposed by the County. The County has covenanted in the County Revenue Bond Ordinance that it will not repeal or amend the Rental Car Fee Ordinance while the County Revenue Bond is outstanding. The County Revenue Bond is expected to be outstanding longer than the Rental Car Fee Bonds. There is no impact on the ad valorem tax rate so long as net pledged revenues are sufficient to pay debt service.

The following table sets forth the Rental Car Fee revenues received by the County in each fiscal year shown. The Rental Car Fee was imposed commencing July 1, 2005. The County was required to remit the first \$3,000,000 collected to the Culinary Academy; all amounts due to the Culinary Academy were remitted in fiscal year 2006. The City currently accounts for the Rental Car Fees in an account in its Multipurpose Special Revenue Fund; that fund is used to account for numerous intergovernmental revenues.

HISTORICAL RENTAL CAR FEE COLLECTIONS

| Fiscal Year | Actual Car Rental Fee Collections ^{1/} | Percent Change |
|--------------------|--|-----------------------|
| 2016 | 8,889,148 | 8.25 |
| 2017 | 8,858,012 | (0.35) |
| 2018 | 8,975,187 | 1.32 |
| 2019 | 9,362,185 | 4.31 |
| 2020 ^{2/} | 7,876,310 | (15.87) |

- 1/ Represents total Rental Car Fee revenues received by the County (net of all applicable fees and allowances).
- 2/ Represents actual collections for rentals and estimated amount for the 4th quarter FY2020.



The following table sets forth a history of rental car fee revenues received in each fiscal year, the annual debt service requirements on the Rental Car Fee Bonds, and the associated debt service coverage.

RENTAL CAR FEE REVENUES DEBT SERVICE COVERAGE

| | 2016 (Actual) | 2017 (Actual) | 2018 (Actual) | 2019 (Actual) | 2020 (Estimated) | 2021 (Budgeted) ^{3/} |
|---|------------------|------------------|------------------|------------------|---------------------|----------------------------------|
| Pledged Revenues | | | | | | |
| Rental Car Fee revenues ^{1/} | \$ 8,889,148 | \$ 8,858,012 | \$ 8,975,187 | \$ 9,362,185 | \$ 7,876,310 | \$ 5,800,000 |
| Less: Annual Debt Service on the County Revenue Bond ^{2/} | 583 | 583 | 583 | 583 | 583 | 583 |
| Amount Available for Debt Service on the Rental Car Fee Bonds | \$ 8,888,565 | \$ 8,857,429 | \$ 8,974,604 | \$ 9,361,602 | \$ 7,875,727 | \$ 5,799,417 |
| Annual Debt Service on the Rental Car Fee Bonds | \$ 7,423,019 | \$ 6,280,801 | \$ 6,009,669 | \$ 6,008,469 | \$ 6,396,769 | \$ 6,393,769 |
| Coverage | 1.20 | 1.41 | 1.49 | 1.56 | 1.23 | 0.91 |

- 1/ Rental Car Fee revenues represent fiscal year (July 1 to June 30) collections, net of the administrative fee paid to Department of Taxation. Fiscal year 2020 estimated and 2021 budgeted.
- 2/ The County Revenue Bond has a lien on the Pledged Revenues that is superior to the lien thereon of the Performing Arts Center Bonds.
- 3/ Due to an expected significant decline in car rental tax revenues in fiscal year 2021 due to the COVID-19 pandemic, debt service payments for fiscal year 2021 will be made from revenue received and, if necessary, fund balance reserves will be used.

SOURCE: City of Las Vegas Finance Department

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DEBT CAPACITY

Response to NRS 350.013 1(c):

(2) A discussion of its capacity to incur authorized and proposed future general obligation debt without exceeding the applicable debt limit (NRS 350.013 (b)(2)).

State law limits the aggregate principal amount of the City’s general obligation debt to 20% of its total reported assessed valuation.

The following table presents a record of the City's outstanding indebtedness with respect to the debt limitation in the City Charter.

HISTORICAL STATUTORY DEBT CAPACITY
City of Las Vegas, Nevada

Table with 5 columns: Fiscal Year Ended June 30, Assessed Valuation, Debt Limit, Outstanding General Obligation Debt, and Additional Statutory Debt Capacity. Rows for years 2016 through 2020.

1/ Includes the assessed valuations of the Las Vegas Redevelopment Agency.

2/ Includes general obligation bonds, general obligation revenue bonds and general obligation medium-term bonds.

SOURCE: Property Tax Rates for Nevada Local Governments – Nevada Department of Taxation.



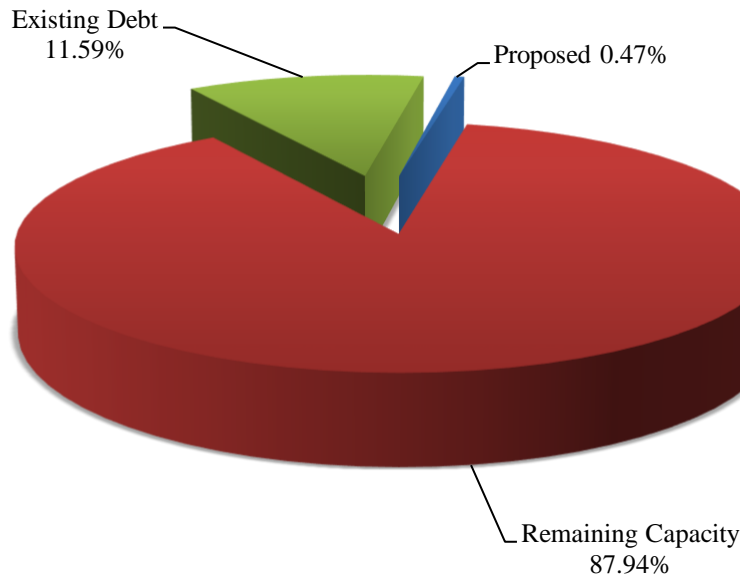
Based upon the fiscal year 2020 assessed value \$21,340,953,545, the City's available statutory debt limitation is \$3,753,500,709. The following table represents the City's outstanding and proposed general obligation indebtedness with respect to its statutory debt limitation.

STATUTORY DEBT CAPACITY
City of Las Vegas, Nevada
For Fiscal Year 2020

Table with 2 columns: Description and Amount. Rows include Statutory Debt Limitation, Outstanding General Obligation Indebtedness, Plus: FUTURE CONSOLIDATED TAX SUPPORTED BONDS, Total Outstanding and Proposed General Obligation Indebtedness, and Additional Statutory Debt Limitation Available.

1/ The limitation calculation is based on the FY2020 assessed value from the FY21 final budget book for the City of Las Vegas.

SOURCE: Department of Taxation; City of Las Vegas





DEBT COMPARISON
(Per capita and Assessed Valuation)

Response to NRS 350.013 1(c):

(3) A discussion of general obligation debt that is payable from property taxes per capita as compared with such debt of other municipalities in the state.

(4) A discussion of its general obligation debt that is payable from property taxes as a percentage of assessed valuation of all taxable property within the boundaries of the municipality.

A comparison of the voter approved general obligation debt that is payable from ad valorem taxes is shown below. Also shown is a comparison of the voter approved general obligation debt per capita as compared with the average for such debt of other municipalities, as well as an illustration of debt that is payable from ad valorem taxes as a percentage of assessed valuation of all taxable property within the boundaries of the municipality.

DEBT RATIO COMPARISONS
As of June 30, 2020

Table with 6 columns: Municipality, Total General Obligation Debt, Estimated Fiscal Year 2019 Population, Fiscal Year 2020 Assessed Value, General Obligation Debt Per Capita, GO as a % of Assessed Value. Rows include Las Vegas, North Las Vegas, Henderson, Reno, Clark County, and CC School District.

1/ Outstanding as of June 30, 2020. Excludes proposed bonds, revenue bonds, assessment bonds not secured by general fund revenues, and lease/purchase agreements.
2/ Source: State of Nevada Demographer, figures effective July 1.
3/ Source: Nevada Department of Taxation (excluding Redevelopment Agencies).

SOURCE: Compiled by City of Las Vegas Finance Department

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CITY OF LAS VEGAS
REDEVELOPMENT AGENCY
DEBT SUMMARY

The City of Las Vegas Redevelopment Agency (RDA) follows the same policies and procedures for debt management as the City of Las Vegas. The following schedule summarizes the outstanding debt of the RDA as of June 30, 2020.

OUTSTANDING TAX INCREMENT REVENUE OBLIGATION INDEBTEDNESS
City of Las Vegas Redevelopment Agency
As of June 30, 2020

Table with 5 columns: Description, Date of Issuance, Maturity Date, Original Amount, Principal Outstanding. Rows include Tax Increment Revenue Refunding Bonds, Series 2016; Tax Increment Revenue Subordinate Lien Bond, Series 2017; Subordinate Lien Revenue Bond, Series 2018; and TOTAL OUSTANDING OBLIGATIONS \$ 110,255,535.

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POLICY STATEMENT FOR SALE OF DEBT

Response to NRS 350.013 1(c):

(5) Policy regarding the manner in which the municipality expects to sell its debt.

Administration of Policy

The City Manager is the Chief Administrative Officer for The City. The City Manager is ultimately responsible for administration of City financial policies. The City Council is responsible for the approval of any form of City borrowing and the details associated therewith. Unless otherwise designated, the Director of Finance coordinates the administration and issuance of debt.

The Director of Finance is also responsible for the attestation of disclosure and other bond related documents. References to the "City Manager or his/her designee" in the document are hereinafter assumed to assign the Director of Finance as the "designee" for administration of this policy. The City Manager may, from issue to issue, designate officials from issuing entities to discharge the provisions of this policy.

Initial Review and Communication of Intent

All borrowing requests shall be communicated to the City Finance Department during the annual budget process. Requests for a new bond issue must be identified as a part of a Capital Improvement Program (CIP) request. Opportunities for refunding shall originate with or be communicated to the Department of Finance. Justification and requested size of the bond issue must be presented as well as the proposed timing of the bond issue.

The Department of Finance will evaluate each debt proposal comparing it with other competing interests within the City. All requests will be considered in accordance with the City's overall adopted priorities. The Department of Finance will coordinate the issuance of debt including size of issuance, debt structuring, repayment sources and determination of mix (e.g., debt financing versus pay-as-you-go), and method of sale.

Method of Sale

The City can sell its debt directly to a bank or can issue bonds in the municipal bond market. The decision as to whether to issue bonds or obtain bank financing is based upon which alternative will provide the City with the lowest cost.

If bonds are issued, there are two ways bonds can be sold: competitive (public) or negotiated sale. NRS 350.105 to 350.195 set forth the circumstances under which a local government will sell its bonds at competitive or negotiated sale. The City will follow the statutory requirements in determining the method of sale for its bonds.

Competitive and negotiated sales provide for one or more pricings, depending upon market conditions or other factors. Either method can provide for changing sale dates, issue size, maturity amounts, term, bond features, etc. The timing of any sale is generally related to the requirements of the Nevada Open Meeting Law.



Competitive Sale

In a competitive sale, all underwriter(s) are invited to submit a proposal to purchase an issue of bonds. The bonds are awarded to the underwriter(s) presenting the best bid according to stipulated criteria set forth in the notice of sale. The best bid is determined based on the lowest overall interest rate.

Negotiated Sale

In a negotiated sale, an exclusive arrangement is made between the issuer and an underwriter or underwriting syndicate. At the end of successful negotiations, the issue is awarded to the underwriter. If bonds are sold through a negotiated sale, the City will comply with the requirements of NRS 350.175.

A negotiated underwriting may be considered based upon one or more of the following criteria:

- Extremely large issue size
- Complex financing structure (i.e., new security feature, variable rate financings, new derivatives, and certain revenue issues, etc.) which provides a desirable benefit to the City
- Difficulty in marketing due to credit rating or lack of bids
- Private placement or sale to a municipality, to the state, or a federal agency
- Other factors which lead the City to conclude that competitive sale would not be effective. It is the policy of the City to provide minority business enterprises, women business enterprises and all other business enterprises an equal opportunity to participate in the performance of all City contracts. Bidders are requested to assist the City in implementing this policy by taking all reasonable steps to ensure that all available business enterprises, including minority and women business enterprises have an equal opportunity to participate in City contracts.

Underwriter Selection for Negotiated Sale

1. Underwriter selection for economic development revenue bonds, and bonds issued pursuant to NRS 271, which are not secured by a pledge of the taxing power and general fund of the City, may be approved via the City's guidelines for such bonds.
2. The Department of Finance will solicit proposals from underwriters who have submitted, in their own name or as part of a syndicate, bids for City competitive bond issues during the past three years. All such firms will have an equal opportunity to be selected to bid for the City's negotiated underwriting pool. The review of proposals shall include, but not be limited to, the requirements of NRS 350.185.
3. Before selling bonds at negotiated sale, underwriters in the City's pool may be contacted to provide additional information including, but not limited to that required by NRS 350.185.
4. The book-running senior manager and other members of the underwriting syndicate for a particular issue or project will be designated by the Department of Finance and ratified by the City Council. It is the City's intent, once a team is established, to provide equal opportunity for the position of book-running senior manager. The Department of Finance will rotate the book-running senior manager on a deal-by-deal basis as appropriate for the particular bond issue or project.



5. The underwriting team should be balanced with firms having institutional, retail, and regional sales strength, qualified minority and/or women-owned firms will be included in the underwriting team and given in equal opportunity to be senior manager.
6. The size of an issue will determine the number of members in the underwriting team and whether more than one senior manager is desirable.

Underwriting Spread

Before work commences on a bond issue to be sold at negotiated sale, the underwriter shall provide the Department of Finance a detailed estimate of all components of their compensation. Such estimates should be contained in the RFP or provided immediately after their designation as underwriter.

The book-running senior manager must provide an updated estimate of the expense component of gross spread to the Department of Finance no later than one week prior to the day of pricing.

Establishment of a Selling Group

When deemed appropriate by the Department of Finance, a selling group will also be established to assist the underwriting team in the marketing of the bond issue.

Priority of Orders

The priority of orders to be established for negotiated sales is generally as follows:

1. Nevada Investors
2. Group Orders
3. Designated Orders
4. Member Orders

For underwriting syndicates with three or more underwriters a three-firm rule for net designated orders will be established as follows;

1. The designation of takedown on net designated orders is to benefit at least three firms of the underwriting team.
2. No more than 50% of the takedown may be designated to any one firm. No less than 10% of the takedown will be designated to any one firm.

Retentions

If the use of retentions is desirable, the Department of Finance will approve the percentage (up to 30%) of term bonds to be set aside. The amount of total retention will be allocated to each member of the underwriting team in accordance with their respective underwriting liability, which is approved by the Department of Finance.



Allocation of Bonds

1. The book running senior manager will be responsible for ensuring that the overall allocation of bonds meets the City's goals of obtaining the best price for the issue and a balanced distribution of the bonds.
2. The Department of Finance must approve the final bond allocation process with input from the book running senior manager.

Miscellaneous

MBE/WBE Statement - It is a continuing goal of The City to actively pursue minority and women business enterprises to take part in the City's procurement and contracting activity. Minority and women business enterprises will be solicited in the same manner as non-minority firms. The City encourages participation by minority and women business enterprises and will afford full opportunity for bid submission. Minority and women business enterprises will not be discriminated against on the grounds of race, color, creed, sex, or national origin in consideration for an award.

Bond Closings - All bond closings shall be held in the City unless circumstances dictate otherwise.



OTHER CITY DEBT POLICIES

Debt Structure

Maturity Structures - The term of City debt issues should not extend beyond the useful life of the project or equipment financed. The repayment of principal on tax supported debt should generally not extend beyond 30 years unless there are compelling factors which make it necessary to extend the term beyond this point.

Debt issued by the City should be structured to provide for generally level debt service. Deferring the repayment of principal should be considered only in select instances where it will take a period of time before revenues are sufficient to pay debt service.

Capitalized Interest - The City will generally not capitalize interest unless there are compelling factors which make it necessary or desirable to do so.

Bond Insurance - The purchase of bond insurance may be considered as part of the structure of a bond issue. Bond insurance is an insurance policy purchased by an issuer or an underwriter for either an entire issue or specific maturities, which guarantees the payment of principal and interest. While this security provides a higher credit rating and thus a lower borrowing cost for an issuer, such cost savings must be measured against the premium required for such insurance.

The decision to purchase insurance directly versus bidder's option is based on:

- volatile markets
- current investor demand for insured bonds
- level of insurance premiums
- ability of the City to purchase bond insurance from bond proceeds

Bond insurance can be purchased directly by the City prior to the bond sale (direct purchase) or at the underwriter's option and expense (bidder's option). In cases where insurance is purchased, the City will attempt to qualify its bond issues for insurance with bond insurance companies rated AA or higher by Moody's Investors Service, Standard & Poor's Corporation and/or Fitch Ratings.

When insurance is purchased directly by the City, the present value of the estimated debt service savings from insurance should be at least equal to or greater than the insurance premium. The bond insurance company will usually be chosen based on an estimate of the greatest net present value insurance benefit (present value of debt service savings less insurance premium).

Refundings

A refunding is generally the underwriting of a new bond issue whose proceeds are used to redeem an outstanding issue. Key definitions are described as follows:

Advance Refunding - A method of providing for payment of debt service on a bond until the first call date or designated call date from available funds. Advance refundings are done by issuing a new bond or using available funds and investing the proceeds in an escrow account in a portfolio of U.S. government securities structured to provide enough cash flow to pay debt service on the refunded bonds. Under the Tax Cuts and Jobs Act of 2017, advance refunding issues of tax exempt bonds issued after December 31, 2017 will no longer have tax exempt status.



Current Refunding - The duration of the escrow is 90 days or less.

Gross Savings - Difference between debt service on refunding bonds and refunded bonds less any contribution from a reserve or debt service fund.

Present Value Savings - Present value of gross savings discounted at the refunding bond yield to the closing date plus accrued interest less any contribution from a reserve or debt service fund.

Prior to beginning a refunding bond issue the City will review an estimate of the savings achievable from the refunding. The City may also review a pro forma schedule estimating the savings assuming that the refunding is done at various points in the future.

The City will generally consider refunding outstanding bonds if one or more of the following conditions exist:

1. Present value savings are at least 3% of the par amount of the refunding bonds.
2. The bonds to be refunded have restrictive or outdated covenants.
3. Restructuring debt is deemed to be desirable to align debt service obligations with revenues available for repayment.

The City may pursue a refunding not meeting the above criteria if:

1. Present value savings exceed the costs of issuing the bonds.
2. Current savings are acceptable when compared to savings that could be achieved by waiting for more favorable interest rates and/or call premiums.

Interest Rate Limitation

Under NRS 350.2011, the maximum tax-exempt rate of interest must not exceed by more than three percent:

1. For general obligations, the Index of Twenty Bonds; and
2. For special obligations, the Index of Revenue Bonds, which was most recently published before the City adopts a bond ordinance.

Certificates of Participation/Other Capital Leases

Certificates of participation are essentially leases which are sold to the public. The lease payments are subject to annual appropriation. Investors purchase certificates representing their participation in the lease. Often, the equipment or facility being acquired serves as collateral. These securities are most useful when other means to finance are not available under State law.



Financing Sources

The City will evaluate available County/State bond financing programs before choosing the financing source. The City will consider utilizing a County/State program if bonds can be sold by the County/State in a manner that meets the City's timing needs and if two or more of the following conditions are expected:

- 1) The City will benefit from the County/State's credit rating.
- 2) The City will reduce its issuance costs by combining with other participants.
- 3) The City will be able to approve the structure of the bonds.
- 4) The utilization of the County/State program is the most cost effective source of funds.

Secondary Market Disclosure

In November 1994, the Securities and Exchange Commission (SEC) amended Rule 15c2-12 (the "Rule") to prohibit any broker, dealer, or municipal securities dealer from acting as an underwriter in a primary offering of municipal securities unless the issuer promises in writing to provide certain ongoing information (unless the offering satisfies certain exemptions). On February 27, 2019 the Securities and Exchange Commission (SEC) amended Rule 15c2-12 (the "Rule") with the following provisions;

Specifically, the amendments add two new events to the list included in Rule 15c2-12 (the "Rule"):

- Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, *if material*; and
- Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of *which reflect financial difficulties*.

The City will comply with the Rule by providing the secondary market disclosure required in any case in which the Rule applies to the City as an obligated person ("Obligated Person") as defined in the Rule.

The City will also require certain governmental organizations and private organizations (the "Organizations"), on behalf of which the City issues bonds or who otherwise are beneficiaries of the bonds, to comply with the Rule pursuant to a loan agreement or other appropriate financing document as a condition to providing the financing. The City is not required, nor will it obligate itself to provide secondary market disclosure for any obligated persons (other than the City), and the City will have no liability or responsibility for the secondary market disclosure requirements imposed upon other Obligated Persons. The City may, in appropriate cases, exempt Organizations and other Obligated Persons from this policy where the City determines, in its sole discretion, that an exemption permitted by the Rule is available.

American Recovery and Reinvestment Act - Build America Bonds

The Director of Finance will adopt procedures designed to comply with the American Recovery and Reinvestment Act (the "Recovery Act") and the Hiring Incentives to Restore Employment Act (the "HIRE Act") requirements in 8038-CP and instructions thereto. The instructions for filing an 8038-CP, which describe how and when to file the 8038-CP will constitute the City's written procedures for timely filing of the 8038-CP. The Finance Director, or designee, shall be responsible for making such filing or causing it to be made. Payment of the refundable credit will be made to the City or the trustee for the Recovery Act or the HIRE Act, as determined by the Director of Finance, unless otherwise provided by the Director of Finance. The City's completion and examination of the form 8038-CP constitute its procedure for ensuring that the refundable credit is made to the City or trustee.



OPERATION COSTS AND REVENUE SOURCES FOR PROJECTS IN CAPITAL IMPROVEMENT PLAN

Response to NRS 350.013 1(c):

(7) A discussion of its operational costs and revenue sources, for the ensuing 5 fiscal years, associated with each project included in its plan for capital improvement submitted pursuant to paragraph (d), if those costs and revenues are expected to affect the property tax rate.

The Capital Improvement Plan (the “CIP”) contains current and proposed projects for the next five years segregated into the following categories: water, wastewater, streets, flood control, street lights, traffic control, parks and recreation, municipal facilities, and school flashing lights.

The cost estimates are very preliminary in nature, as design has not taken place in most cases. Cost summaries are included for each category at the beginning of each section. The City may not be able or willing to provide this level of funding even with some sources of funds external to the City. Over the time interval anticipated by this document, some portions of these projects can be expected to be provided by the developers as construction continues in the City. It is not possible for the City to fully anticipate when and where such developer-provided construction will occur.

Future bonding may be an alternative to providing funding for some of the needed infrastructure where currently funding has not been identified. The City has expended virtually all local street and flood bonds. A bonding package could be promoted to include certain identified streets, local flood control including nuisance drainage, street lights, school flashing signals, and traffic signals. A list could be projected based upon some of the top priorities listed in the CIP for the identified categories. Currently, the City does not anticipate that operational costs and revenue sources associated with the funding of capital improvements identified in its CIP will affect the property tax rate.

5-Year Operating Tax Rate Forecast

Barring extraordinary events, the City shall impose a property tax limit based on the fiscal year 1999 variance between the actual tax levied and the maximum allowed levy; that is, the City will not raise its operating rate beyond a self-imposed limit that is 11.2 cents per \$100 below the State imposed limit. The City's budgeted maximum allowed tax rate is \$1.8287 and the rate imposed is \$0.6765, which leaves \$1.1522 allowable under state law and \$1.0402 allowable under this policy. The City does not anticipate increasing the operating rate, barring extraordinary events, in the next five years.



CHIEF FINANCIAL OFFICER INFORMATION
NRS 350.013 Subsection 1(e)

A statement containing the name, title, mailing address and telephone number of the Chief Financial Officer of the municipality.

NAME: Gary Ameling
TITLE: Chief Financial Officer
ADDRESS: City of Las Vegas
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Las Vegas, Nevada 89101
TELEPHONE: (702) 229-6806
E-MAIL: gameling@lasvegasnevada.gov