



Redevelopment Agency
of the City of Sparks
Area 2
2020-2021
Final Budget

Redevelopment Agency of the City of Sparks - Area 2

2020-2021 FINAL Budget

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**Redevelopment Agency of the City of Sparks - Area 2
Budget Message - FINAL
Fiscal Year 2020/2021 (FY21)**

This message is intended to convey the underlying assumptions used in the preparation of this document so that elected officials, City staff and other interested parties may have a brief summary of the Redevelopment Agency Area 2's (RA2) FY21 budget process.

Combined Fund Overview

The following table provides a snapshot of the projected fiscal outcomes for the current and next fiscal years and provides a comparison to FY19 actual results. This look combines the operating and Debt Service Funds to give an overall view of the entire Redevelopment Agency Area 2.

Redevelopment Area 2 - Summary of Revenues, Expenses & Fund Balance

	FY19 Actuals	FY20 Estimates	FY21 Budget
Property Tax Revenues	3,396	4,085	4,350
Other Revenue	159	160	150
Debt Service	(\$1,545)	(\$2,652)	(\$1,543)
Other Expenditures	(\$141)	(\$97)	(\$119)
Change in Fund Balance	1,868	1,496	2,838
Beginning Fund Balance	4,019	5,887	7,383
Ending Fund Balance	5,887	7,383	10,220
<i>Less Bond Reserves</i>	<i>(\$2,082)</i>	<i>(\$2,355)</i>	<i>(\$2,300)</i>
Unrestricted Fund Balance	3,805	5,028	7,920

All figures shown in \$000's

REVENUES

For operating and debt service purposes, the effective tax rate in this budget document is \$3.1808 as stated in the FY20 publication titled "Property Tax Rates for Nevada Local Governments" (aka "The Red Book") which is published by the Department of Taxation each July, as this is the most current rate available. This rate includes reductions for amounts "carved out" after being levied and collected in accordance with the NRS 279.676 Section 1(c)(d) as added by SB312 from the 1997 Legislative session. These amounts relate to voter-approved bonds or overrides on or after the November 5, 1996 general election. The actual Redevelopment Area's effective tax rate is subject to change, as entities entitled to "carve outs" notify the department of Taxation. The following table details how the \$3.1808 rate was derived.

Redevelopment Area Property Tax Rate (Per \$100 of assessed valuation)

Total property tax rate	\$3.6600
Less "Carve-outs"	
Washoe County Animal Services	(\$0.0300)
Washoe County Debt	(\$0.0210)
Local Government Tax Act of 1991 (Fair Share)	(\$0.0272)
Washoe County School Debt	(\$0.3885)
State of Nevada	(\$0.0125)
Total "Carve-outs"	(\$0.4792)
Redevelopment Property Tax Rate	\$3.1808

Assessed value and estimated revenue information for the City’s redevelopment districts was determined from information provided by the Department of Taxation as well as the Washoe County Assessor’s and Treasurer’s Office. Assessed value in Redevelopment Area 2 is expected to increase 11.4% in FY21 to \$156.0M.

Due to a lack of growth of property valuations and tax receipts, a \$250k subsidy was required from the General Fund in FY13 and another \$786K subsidy was required in FY14 to pay for City issued debt service which previously had been paid by RA2. Those subsidies were re-paid to the General Fund in FY20. Further subsidies are not expected due to rising property tax assessments and the sale of 10.2 acres of land owned by RA2. Additionally, the 2007 refunding bonds that were issued by the City for the benefit of RA2 matured in FY17, freeing up nearly \$1.1M in annual debt service costs.

EXPENDITURES

Of the FY21 total expenditure budget (including transfers out) of \$1.7M, \$1.5M is slated for debt service.

ENDING FUND BALANCE

Amounts budgeted as ending fund balances in Funds which receive ad valorem taxes are those amounts deemed appropriate for carrying on the activities of the Funds given cash flow requirements.

Per bond covenants, reserves in our Debt Service Fund (3606) exceed one year of debt requirements. This is attributable to capitalized interest and cash flow needs.

In light of the foregoing, the FY21 Final Budget for the Redevelopment Agency Area 2 of the City of Sparks is submitted to the Nevada State Department of Taxation in accordance with state statutes.

Respectfully submitted,



Jeff Cronk, CPA
Chief Financial Officer

Budget Summary for Redevelopment Agency of the City of Sparks - Area 2
Schedule S-1

	GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS			PROPRIETARY FUNDS BUDGET YEAR 6/30/2021 (4)	TOTAL (MEMO ONLY) COLUMNS 3+4 (5)
	ACTUAL PRIOR YEAR 06/30/19 (1)	ESTIMATED CURRENT YEAR 06/30/20 (2)	BUDGET YEAR 06/30/21 (3)		
REVENUES:					
Property Taxes	3,396,411	4,085,000	4,350,000	0	4,350,000
Intergovernmental Revenues	0	0	0	0	0
Charges for Services	0	0	0	0	0
Fines and Forfeits	4,050	10,000	0	0	0
Miscellaneous Revenue	154,624	150,000	150,000	0	150,000
TOTAL REVENUES	3,555,085	4,245,000	4,500,000	0	4,500,000
EXPENDITURES-EXPENSES:					
General Government	0	0	0	0	0
Community Support	139,372	94,868	117,171	0	117,171
Debt Service	2,100	2,100	2,200	0	2,200
Principal	1,164,000	1,190,000	1,224,000	0	1,224,000
Interest	381,381	350,537	318,997	0	318,997
TOTAL EXPENDITURES-EXPENSES	1,686,853	1,637,505	1,662,368	0	1,662,368
Excess of Revenues over (under) Expenditures/Expenses	1,868,231	2,607,495	2,837,632	0	2,837,632

Budget Summary for Redevelopment Agency of the City of Sparks - Area 2
Schedule S-1

GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS				
ACTUAL PRIOR YEAR 06/30/19 (1)	ESTIMATED CURRENT YEAR 06/30/20 (2)	BUDGET YEAR 06/30/21 (3)	PROPRIETARY FUNDS BUDGET YEAR 6/30/2021 (4)	TOTAL (MEMO ONLY) COLUMNS 3+4 (5)
OTHER FINANCING SOURCES (USES):				
Bond Sales Proceeds	0	0	0	0
Refunding Bond Proceeds	0	0	0	0
Sale Of General Fixed Assets	0	0	0	0
Operating Transfers (in)	0	0	0	0
Operating Transfers (out)	0	(1,111,580)	0	0
TOTAL OTHER FINANCING SOURCES (USES)	0	(1,111,580)	0	0
Excess of Revenues and Other Sources over(under)				
Expenditures and Other Uses (Net Income)	1,868,231	1,495,915	2,837,632	0 XXXXXXXXXXXXX
FUND BALANCE JULY 1, BEGINNING OF YEAR:	4,018,699	5,886,930	7,382,845	
Prior Period Adjustments	0	0	0	0
Residual Equity Transfers				XXXXXXXXXXXXX XXXXXXXXXXXXX
FUND BALANCE JUNE 30, END OF YEAR	5,886,930	7,382,845	10,220,476	XXXXXXXXXXXXX XXXXXXXXXXXXX
TOTAL ENDING FUND BALANCE	5,886,930	7,382,845	10,220,476	XXXXXXXXXXXXX XXXXXXXXXXXXX

FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION

	ACTUAL PRIOR YEAR ENDING 06/30/19	ESTIMATED CURRENT YEAR ENDING 06/30/20	BUDGET YEAR ENDING 06/30/21
General Government			
Judicial			
Public Safety			
Public Works			
Culture and Recreation			
Community Support			
Total General Government	0.0	0.0	0.0
Utilities			
Hospitals			
Transit Systems			
Airports			
Other			
TOTAL FTE's	0.0	0.0	0.0

POPULATION (AS OF JULY 1)	96,928	100,140	102,543
SOURCE OF POPULATION ESTIMATE*	Dept of Taxation- FY 2019 Final Revenue Projections Part B	Dept of Taxation- FY 2020 Final Revenue Projections Part B	Dept of Taxation- FY 2021 Final Revenue Projections Part B
Assessed Valuation (Secured and Unsecured Only)	114,221,595	139,961,735	155,974,631
Net Proceeds of Mines			
TOTAL ASSESSED VALUE	114,221,595	139,961,735	155,974,631
TAX RATE			
General Fund			
Special Revenue Funds			
Capital Projects Funds	1.3354	1.5568	2.1275
Debt Service Funds	1.8424	1.6210	1.0533
Enterprise Fund			
Other			
TOTAL TAX RATE	3.1778	3.1778	3.1808

*Use the population certified by the state in March each year. Small districts may use a number developed per the instructions (page 6) or the best information available

PROPERTY TAX RATE AND REVENUE RECONCILIATION

Fiscal Year 2020-2021

	(1) ALLOWED TAX RATE	(2) ASSESSED VALUATION	(3) ALLOWED AD VALOREM REVENUE [(1) X (2)/100]	(4) TAX RATE LEVIED	(5) TOTAL PREABATED AD VALOREM REVENUE [(2)X(4)/100]	(6) AD VALOREM TAX ABATEMENT [(5)-(7)]	(7) BUDGETED AD VALOREM REVENUE WITH CAP
OPERATING RATE:							
A. PROPERTY TAX Subject to Revenue Limitations	2.1275	155,974,631	3,318,294	2.1275	3,318,294	408,822	2,909,472
B. PROPERTY TAX Outside Revenue Limitations: Net Proceeds of Mines							
VOTER APPROVED:							
C. Voter Approved Overrides							
LEGISLATIVE OVERRIDES							
D. Accident Indigent (NRS 428.185)							
E. Medical Indigent (NRS 428.285)							
F. Capital Acquisition (NRS 354.59815)							
G. Youth Services Levy (NRS 62B.150, 62B.160)							
H. Legislative Overrides							
I. SCCRT Loss (NRS 354.59813)							
J. Other:							
K. Other:							
L. SUBTOTAL LEGISLATIVE OVERRIDES							
M. SUBTOTAL A, C, L	2.1275	155,974,631	3,318,294	2.1275	3,318,294	408,822	2,909,472
N. Debt	1.0533	155,974,631	1,642,947	1.0533	1,642,947	202,419	1,440,528
O. TOTAL M AND N	3.1808	155,974,631	4,961,241	3.1808	4,961,241	611,241	4,350,000

Note:

Final carveout rates for Redevelopment Areas 1 & 2 are subject to change per the State's final revenue projections

Redevelopment Agency of the City of Sparks - Area 2

SCHEDULE S-3 - PROPERTY TAX RATE

AND REVENUE RECONCILIATION

SCHEDULE A - ESTIMATED REVENUES & OTHER RESOURCES - GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS & TAX SUPPORTED PROPRIETARY FUND TYPES

Budget For Fiscal Year Ending June 30, 2021

Budget Summary for Redevelopment Agency of the City of Sparks - Area 2

GOVERNMENTAL FUNDS AND EXPENDABLE TRUST FUNDS	Beginning Balances (1)	Consolidated Tax Revenue (2)	Property Tax Required (3)	Tax Rate (4)	Other Revenue (5)	Other Financing Sources Other Than Transfers In (6)	Operating Transfers In (7)	Total (8)
R/A 2 Revolving Fund	5,028,176	0	2,909,472	2.1275	100,000	0	0	8,037,648
R/A 2 Debt Service Fund	2,354,670	0	1,440,528	1.0533	50,000	0	0	3,845,198
Subtotal Governmental Fund Types, Expendable Trust Funds	7,382,846	0	4,350,000	3.1808	150,000	0	0	11,882,846
TOTAL ALL FUNDS	XXXXXXXXXX	0	4,350,000	3.1808	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX

SCHEDULE A-1 ESTIMATED EXPENDITURES AND OTHER FINANCING USES

Budget For Fiscal Year Ending June 30, 2021

Budget Summary for Redevelopment Agency of the City of Sparks - Area 2

GOVERNMENTAL FUNDS AND EXPENDABLE TRUST FUNDS	*	Salaries and Wages (1)	Employee Benefits (2)	Supplies and Other Charges ** (3)	Capital Outlay *** (4)	Contingencies and Uses Other Than Operating Transfers Out (5)	Operating Transfers Out (6)	Ending Fund Balances (7)	Total (8)
R/A 2 Revolving Fund	CP	0	0	117,171	0	0	0	7,920,477	8,037,648
R/A 2 Debt Service Fund	DS	0	0	1,545,197	0	0	0	2,300,001	3,845,198
TOTAL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS		0	0	1,662,368	0	0	0	10,220,478	11,882,846

* FUND TYPES: SR - Special Revenue
 CP - Capital Projects
 DS - Debt Service
 T - Expendable Trust

** Include Debt Service Requirements in this column

*** Capital Outlay must agree with CIP.

<u>REVENUES</u>	(1) ACTUAL PRIOR YEAR ENDING 6/30/2019	(2) ESTIMATED CURRENT YEAR ENDING 6/30/2020	(3) (4) Budget Year Ending 06/30/21	
			TENTATIVE APPROVED	FINAL APPROVED
Taxes				
Real Property Taxes	1,252,629	1,885,000	2,459,472	2,459,472
Personal Property Taxes	378,781	435,000	450,000	450,000
Total Taxes	1,631,411	2,320,000	2,909,472	2,909,472
Fines and Forfeits				
Forfeits - Misd	4,050	10,000	0	0
Total Fines and Forfeits	4,050	10,000	0	0
Miscellaneous Revenue				
Interest Earned	94,498	100,000	100,000	100,000
Miscellaneous Revenue	3	0	0	0
Total Miscellaneous Revenue	94,501	100,000	100,000	100,000
Total Revenue	1,729,962	2,430,000	3,009,472	3,009,472
Other Financing Sources(Specify)				
Operating Transfers In (Schedule T)				
Total Other Financing Sources	0	0	0	0
Beginning Fund Balance	2,214,034	3,804,624	5,028,176	5,028,176
Prior Period Adjustment(s)	0	0	0	0
Residual Equity Transfers	0	0	0	0
Total Beginning Fund Balance	2,214,034	3,804,624	5,028,176	5,028,176
Total Resources	3,943,996	6,234,624	8,037,648	8,037,648

Redevelopment Agency of the City of Sparks - Area 2
SCHEDULE B - Capital Projects Fund
R/A 2 Revolving Fund (3601)

<u>EXPENDITURES</u>	(1) ACTUAL PRIOR YEAR ENDING 6/30/2019	(2) ESTIMATED CURRENT YEAR ENDING 6/30/2020	(3) (4) Budget Year Ending 06/30/21	
			TENTATIVE APPROVED	FINAL APPROVED
<u>Community Support Function</u>				
Services and Supplies	58,653	85,193	81,750	81,750
Non-discretionary Services & Supplies	80,720	9,675	35,421	35,421
Total Community Support Function	139,372	94,868	117,171	117,171
Total Expenditures	139,372	94,868	117,171	117,171
Other Uses				
Contingency (not to exceed 3% of total expenditures)	0	0	0	0
Operating Transfers Out (Schedule T) T/O to General Fund 1101	0	1,111,580	0	0
Total Other Uses	0	1,111,580	0	0
<i>Ending Fund Balance</i>	<i>3,804,624</i>	<i>5,028,176</i>	<i>7,920,476</i>	<i>7,920,476</i>
Total Commitments and Fund Balance	3,943,996	6,234,624	8,037,648	8,037,648

Redevelopment Agency of the City of Sparks - Area 2
SCHEDULE B - Capital Projects Fund
R/A 2 Revolving Fund (3601)

<u>REVENUES</u>	(1)	(2)	(3) (4) BUDGET YEAR ENDING 06/30/21	
	ACTUAL PRIOR YEAR ENDING 6/30/2019	ESTIMATED CURRENT YEAR ENDING 6/30/2020	TENTATIVE APPROVED	FINAL APPROVED
<u>Taxes</u>				
Real Property Taxes	1,765,000	1,765,000	1,440,528	1,440,528
Subtotal	1,765,000	1,765,000	1,440,528	1,440,528
<u>Miscellaneous Revenue</u>				
Interest Earned	60,123	50,000	50,000	50,000
Subtotal	60,123	50,000	50,000	50,000
Total All Revenue	1,825,123	1,815,000	1,490,528	1,490,528
Other Financing Sources				
Subtotal Other Financing Sources	0	0	0	0
<i>Beginning Fund Balance</i>	<i>1,804,665</i>	<i>2,082,307</i>	<i>2,354,670</i>	<i>2,354,670</i>
Residual Equity Transfers	0	0	0	0
Total Beginning Fund Balance	1,804,665	2,082,307	2,354,670	2,354,670
Total Available Resources	3,629,788	3,897,307	3,845,198	3,845,198

Redevelopment Agency of the City of Sparks - Area 2
 SCHEDULE C - Debt Service Fund
RA2 Tax Revenue Debt (3606)
 The Above is Repaid by Property Tax (Debt Rate)

<u>EXPENDITURES and RESERVES</u>	(1)	(2)	(3) (4) BUDGET YEAR ENDING 06/30/21	
	ACTUAL PRIOR YEAR ENDING 6/30/2019	ESTIMATED CURRENT YEAR ENDING 6/30/2020	TENTATIVE APPROVED	FINAL APPROVED
Type: 4 Revenue Bonds				
Principal	1,164,000	1,190,000	1,224,000	1,224,000
Interest	381,381	350,537	318,997	318,997
Fiscal Agent Charges	2,100	2,100	2,200	2,200
Reserves - increase or (decrease)	0	0	0	0
Other (Specify)	0	0	0	0
Subtotal	1,547,481	1,542,637	1,545,197	1,545,197
TOTAL RESERVED (MEMO ONLY)	2,082,307	2,354,670	2,300,001	0
Ending Fund Balance				
Reserved	2,082,307	2,354,670	2,300,001	2,300,001
Unreserved	0	0	0	0
Total Ending Fund Balance	2,082,307	2,354,670	2,300,001	2,300,001
Total Commitments & Fund Balance	3,629,788	3,897,307	3,845,198	3,845,198

Redevelopment Agency of the City of Sparks - Area 2
SCHEDULE C - Debt Service Fund
RA2 Tax Revenue Debt (3606)
The Above is Repaid by Property Tax (Debt Rate)

ALL EXISTING OR PROPOSED
GENERAL OBLIGATION BONDS, REVENUE BONDS,
MEDIUM-TERM FINANCING, CAPITAL LEASES AND
SPECIAL ASSESSMENT BONDS

- * - Type
- 1 - General Obligation Bonds
- 2 - G. O. Revenue Supported Bonds
- 3 - G. O. Special Assessment Bonds
- 4 - Revenue Bonds
- 5 - Medium-Term Financing
- 6 - Medium-Term Financing - Lease Purchase
- 7 - Capital Leases
- 8 - Special Assessment Bonds
- 9 - Mortgages
- 10 - Other (Specify type)
- 11 - Proposed (Specify type)

(1) NAME OF BOND OR LOAN (List and Subtotal By Fund)	(2) *	(3) TERM	(4) ORIGINAL AMOUNT OF ISSUE	(5) ISSUE DATE	(6) FINAL PAYMENT DATE	(7) INTEREST RATE	(8) BEGINNING OUTSTANDIN G BALANCE 07/01/2020	(9) (10) FISCAL YEAR ENDING 06/30/2021		(11) (9) + (10) TOTAL
								(9) INTEREST PAYABLE	(10) PRINCIPAL PAYABLE	
R/A 2 Debt Service Fund 3606										
<u>Type 4 Revenue Bonds</u>										
- Tax Increment Revenue Refunding Bonds Series 2014	4	15	7,285,000	8/14/2014	6/1/2029	3.249%	4,865,000	158,064	430,000	588,064
- Tax Increment Revenue Refunding Bonds Series 2016	4	12	9,660,000	10/11/2016	6/1/2028	2.33%	6,907,000	160,933	794,000	954,933
Total Type 4 Revenue Bonds			16,945,000				11,772,000	318,997	1,224,000	1,542,997
TOTAL RA2 DEBT SERVICE FUND 3606			16,945,000				11,772,000	318,997	1,224,000	1,542,997

SCHEDULE C-1 - INDEBTEDNESS

Transfer Schedule for Fiscal Year 2020-2021

FUND TYPE	TRANSFERS IN			TRANSFERS OUT		
	FROM FUND	PAGE	AMOUNT	TO FUND	PAGE	AMOUNT
Total Transfers			0			0

Redevelopment Agency of the City of Sparks - Area 2
 SCHEDULE T - Transfer Reconciliation

Schedule of Existing Contracts
Budget Year 2020-2021

Local Government: Redevelopment Agency of the City of Sparks - Area 2

Contact: Stacie Hemmerling

E-mail Address: shemmerling@cityofsparks.us

Daytime Telephone: 775-353-2246

Total Number of Existing Contracts: 0

Line	Vendor	Effective Date of Contract	Termination Date of Contract	Proposed Expenditure FY 2019-20	Proposed Expenditure FY 2020-21	Reason or need for contract:
1	None	N/A	N/A	0	0	
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20	Total Proposed Expenditures			0	0	

Additional Explanations (Reference Line Number and Vendor):

Schedule 31

Schedule of Privatization Contracts
Budget Year 2020-2021

Local Government: Redevelopment Agency of the City of Sparks - Area 2
Contact: Stacie Hemmerling
E-mail Address: shemmerling@cityofsparks.us
Daytime Telephone: 775-353-2246

Total Number of Privatization Contracts: 0

Line	Vendor	Effective Date of Contract	Termination Date of Contract	Duration (Months/ Years)	Proposed Expenditure FY 2019-20	Proposed Expenditure FY 2020-21	Position Class or Grade	Number of FTEs employed by Position Class or Grade	Equivalent hourly wage of FTEs by Position Class or Grade	Reason or need for contract:
1	None									
2										
3										
4										
5										
6										
7										
8										
9										
10										
11	Total				0	0		0		

Attach additional sheets if necessary.

Proof of Publication to be attached when available