



Redevelopment Agency
of the City of Sparks
Area 1
2016-2017
Final Budget



June 1, 2016

Nevada Department of Taxation
1550 College Parkway, Suite 115
Carson City, NV 89706-7921

The **Redevelopment Agency of the City of Sparks - Area 1** herewith submits the **FINAL** budget for the fiscal year ending June 30, 2017.

This budget contains **2** funds, including Debt Service, requiring property tax revenues totaling **\$2,487,000**

The property tax rates computed herein are based on preliminary data. If the final state computed revenue limitation permits, the tax rate will be increased by an amount not to exceed _____. If the final computation requires, the tax rate will be lowered.

This budget contains **2** governmental type funds with estimated expenditures of **\$2,480,058** and **0** proprietary funds with estimated expenses of **\$0**.

Copies of this budget have been filed for public record and inspection in the offices enumerated in NRS 354.596 (Local Government Budget and Finance Act).

CERTIFICATION

APPROVED BY THE GOVERNING BOARD

I Jeff Cronk, CPA
(Printed Name)
Chief Financial Officer
(Title)

certify that all applicable funds and financial operations of this Local Government are listed herein

Signed _____

Dated: _____

SCHEDULED PUBLIC HEARING:

Date and Time: **May 23, 2016, 2:00 pm**

Publication Date May 12, 2016

Place: City of Sparks Council Chambers, 745 Fourth St, Sparks, NV

Redevelopment Agency of the City of Sparks - Area 1

2016-2017 FINAL Budget

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Redevelopment Agency of the City of Sparks - Area 1 Budget Message - FINAL Fiscal Year 2016/2017 (FY17)

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 1's (RA1) FY17 budget process.

Combined Fund Overview

The following table provides a snapshot of the projected fiscal outcomes for this current fiscal year and next and provides a comparison to FY15 actual results. This look combines the results of both the operating and debt service funds to give an overall view of the entire Redevelopment Agency Area 1.

Redevelopment Area 1 - Summary of Revenues, Expenses & Fund Balance

	FY15 Actuals	FY16 Estimates	FY17 Budget
Property Tax Revenues	2,267	2,422	2,487
Land Sales	0	934	270
Other Revenue	232	200	200
Debt Service	(\$2,582)	(\$2,582)	(\$2,578)
Other Expenditures	(\$78)	(\$360)	(\$193)
Change in Fund Balance	(\$162)	614	186
Beginning Fund Balance	3,463	3,301	3,915
Ending Fund Balance	3,301	3,915	4,101
<i>Less Bond Reserves</i>	(\$3,065)	(\$3,131)	(\$3,230)
Unrestricted Fund Balance	237	784	871

All figures shown in \$000's

REVENUES

For operating and debt service purposes, the effective tax rate in this budget document is \$3.2085. This rate includes reductions for amounts "carved out" after being levied and collected in accordance with the 1999 Session's SB 312. These amounts generally relate to voter-approved bonds or overrides on or after the November 6, 1996 general election. The "carve out" rates were provided to us by the Department of Taxation. We are not sure if all entities, entitled to the carve outs, had notified the Department of Taxation by the time this rate was furnished to us.

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 1 is expected to increase 7.3% in FY17 to \$85.8M.

In most years, Property tax revenues account for 92% of RA1 revenues. This is not the case in the FY17 budget as estimated proceeds were included from prospective land sales within Victorian Square. The Redevelopment Agency is in negotiations to sell several parcels owned by the Agency to a developer. Property tax revenue, after abatements in FY7, is projected to increase 2.7% to \$2.5M.

EXPENDITURES

The majority of the expenditure budget in RA1 is slated for debt service. Looking forward, assuming the prospective land sales materialize, no General Fund subsidy should be needed to cover debt service through the life of the Agency which is 2023.

FY16 and FY17 expenditures include estimates to clean-up a recently discovered soil contamination on parcels once owned by the Agency. \$250K is included in FY16 estimates for clean-up costs already identified and \$100K is included in FY17 as a contingency for other clean-up needs.

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 (3301) exceed one year of debt requirements. This is attributable to capitalized interest and cash flow needs.

In light of the foregoing, the FY17 Final Budget for the Redevelopment Agency Area 1 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 1
Schedule S-1

	GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS			PROPRIETARY FUNDS BUDGET YEAR 06/30/2017 (4)	TOTAL (MEMO ONLY) COLUMNS 3+4 (5)
	ACTUAL PRIOR YEAR 06/30/15 (1)	ESTIMATED CURRENT YEAR 06/30/16 (2)	BUDGET YEAR 06/30/17 (3)		
REVENUES:					
Property Taxes	2,266,612	2,422,000	2,487,000	0	2,487,000
Intergovernmental Revenues	207,167	177,572	177,572	0	177,572
Charges for Services	0	0	0	0	0
Miscellaneous Revenue	24,672	22,600	22,600	0	22,600
TOTAL REVENUES	2,498,451	2,622,172	2,687,172	0	2,687,172
EXPENDITURES-EXPENSES:					
Not Applicable	0	0	0	0	0
General Government	185	760	760	0	760
Culture and Recreation	0	0	0	0	0
Community Support	76,229	358,663	191,616	0	191,616
Intergovernmental	0	0	0	0	0
Debt Service	2,000	1,000	1,000	0	1,000
Principal	1,520,000	1,580,000	1,640,000	0	1,640,000
Interest	770,681	709,881	646,681	0	646,681
TOTAL EXPENDITURES-EXPENSES	2,369,096	2,650,305	2,480,058	0	2,480,058
Excess of Revenues over (under)					
Expenditures/Expenses	129,355	(28,133)	207,114	0	207,114

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

	GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS			PROPRIETARY FUNDS BUDGET YEAR 06/30/2017 (4)	TOTAL (MEMO ONLY) COLUMNS 3+4 (5)
	ACTUAL PRIOR YEAR 06/30/15 (1)	ESTIMATED CURRENT YEAR 06/30/16 (2)	BUDGET YEAR 06/30/17 (3)		
OTHER FINANCING SOURCES (USES):					
Sale Of General Fixed Assets	0	934,000	270,000	0	270,000
Operating Transfers (in)	30,000	0	0	0	0
Operating Transfers (out)	(321,316)	(291,695)	(291,015)	0	(291,015)
TOTAL OTHER FINANCING SOURCES (USES)	(291,316)	642,305	(21,015)	0	(21,015)
Excess of Revenues and Other Sources over(under) Expenditures and Other Uses (Net Income)	(161,961)	614,172	186,099	0	XXXXXXXXXX
FUND BALANCE JULY 1, BEGINNING OF YEAR:	3,462,987	3,301,026	3,915,198		
Prior Period Adjustments	0	0	0	0	
Residual Equity Transfers				XXXXXXXXXX	XXXXXXXXXX
FUND BALANCE JUNE 30, END OF YEAR	3,301,026	3,915,198	4,101,298	XXXXXXXXXX	XXXXXXXXXX
TOTAL ENDING FUND BALANCE	3,301,026	3,915,198	4,101,298	XXXXXXXXXX	XXXXXXXXXX

FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION

	ACTUAL PRIOR YEAR ENDING 06/30/14	ESTIMATED CURRENT YEAR ENDING 06/30/15	BUDGET YEAR ENDING 06/30/16
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)	91,551	92,396	93,581
SOURCE OF POPULATION ESTIMATE*	Dept of Taxation- FY 2015 Final Revenue Projections Part B	Dept of Taxation- FY 2016 Final Revenue Projections Part B	Dept of Taxation- FY 2017 Final Revenue Projections Part B
Assessed Valuation (Secured and Unsecured Only)	74,737,669	79,964,169	85,829,515
Net Proceeds of Mines			
TOTAL ASSESSED VALUE	74,737,669	79,964,169	85,829,515
TAX RATE			
General Fund			
Special Revenue Funds			
Capital Projects Funds	0.3404	0.3404	0.3638
Debt Service Funds	2.8536	2.8536	2.8447
Enterprise Fund			
Other			
TOTAL TAX RATE	3.1940	3.1940	3.2085

*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 2016-2017

	(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: Table of Content Revenue Limitations	0.3638	85,829,515	312,258	0.3638	312,258	30,257	282,001
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	0.3638	85,829,515	312,258	0.3638	312,258	30,257	282,001
N. Debt	2.8447	85,829,515	2,441,582	2.8447	2,441,582	236,583	2,205,000
O. TOTAL M AND N	3.2085	85,829,515	2,753,840	3.2085	2,753,840	266,840	2,487,000

Note:

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

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

Budget For Fiscal Year Ending June 30, 2017

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

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 Revolving	784,382	0	282,000	0.3638	18,000	270,000	0	1,354,382
R/A Tax Revenue Debt	3,130,817	0	2,205,000	2.8447	182,172	0	0	5,517,989
Subtotal Governmental Fund Types, Expendable Trust Funds	3,915,199	0	2,487,000	3.2085	200,172	270,000	0	6,872,371
TOTAL ALL FUNDS	XXXXXXXXXX	0	2,487,000	3.2085	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX

SCHEDULE A-1 ESTIMATED EXPENDITURES AND OTHER FINANCING USES

Budget For Fiscal Year Ending June 30, 2017

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

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 Revolving	CP	13,842	6,954	171,581	0	0	291,015	870,990	1,354,382
R/A Tax Revenue Debt	DS	0	0	2,287,681	0	0	0	3,230,308	5,517,989
TOTAL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS		13,842	6,954	2,459,262	0	0	291,015	4,101,298	6,872,371

* 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)	(2)	(3) (4) Budget Year Ending 06/30/17	
	ACTUAL PRIOR YEAR ENDING 06/30/2015	ESTIMATED CURRENT YEAR ENDING 06/30/2016	TENTATIVE APPROVED	FINAL APPROVED
<u>Taxes</u>				
Property Taxes	44,412	145,000	175,000	175,000
Personal Property Taxes	85,200	102,000	107,000	107,000
Total Taxes	129,612	247,000	282,000	282,000
<u>Miscellaneous Revenue</u>				
Interest Earned	2,914	3,000	3,000	3,000
Property Rentals	15,000	15,000	15,000	15,000
Total Miscellaneous Revenue	17,914	18,000	18,000	18,000
Total Revenue	147,526	265,000	300,000	300,000
<u>Other Financing Sources(Specify)</u>				
Sale Of General Fixed Assets	0	934,000	270,000	270,000
Operating Transfers In (Schedule T)				
T/I from R/A Tax Rev Debt 3301	15,000	0	0	0
Total Other Financing Sources	15,000	934,000	270,000	270,000
Beginning Fund Balance	456,706	236,501	884,382	784,382
Prior Period Adjustment(s)	0	0	0	0
Residual Equity Transfers	0	0	0	0
Total Beginning Fund Balance	456,706	236,501	884,382	784,382
Total Resources	619,231	1,435,501	1,454,382	1,354,382

Redevelopment Agency of the City of Sparks - Area 1
SCHEDULE B - Capital Projects Fund
R/A Revolving (3401)

<u>EXPENDITURES</u>	(1)	(2)	(3) (4) Budget Year Ending 06/30/17	
	ACTUAL PRIOR YEAR ENDING 06/30/2015	ESTIMATED CURRENT YEAR ENDING 06/30/2016	TENTATIVE APPROVED	FINAL APPROVED
<u>General Government Function</u>				
Services and Supplies	185	760	760	760
Total General Government Function	185	760	760	760
<u>Community Support Function</u>				
Salaries And Wages	12,241	12,431	13,842	13,842
Employee Benefits	6,015	6,813	6,954	6,954
Services and Supplies	41,029	324,741	5,906	155,906
Non-discretionary Services & Supplies	16,945	14,678	14,915	14,915
Total Community Support Function	76,229	358,663	41,616	191,616
Total Expenditures	76,414	359,424	42,377	192,377
Other Uses				
Contingency (not to exceed 3% of total expenditures)	0	0	0	0
Operating Transfers Out (Schedule T)				
T/O to Debt Svc GO 1301	291,316	291,695	291,015	291,015
T/O to R/A Tax Rev Debt 3301	15,000	0	0	0
Total Other Uses	306,316	291,695	291,015	291,015
Ending Fund Balance	236,501	784,382	1,120,990	870,990
Total Commitments and Fund Balance	619,231	1,435,501	1,454,382	1,354,382

Redevelopment Agency of the City of Sparks - Area 1
SCHEDULE B - Capital Projects Fund
R/A Revolving (3401)

<u>REVENUES</u>	(1)	(2)	(3) BUDGET YEAR ENDING 06/30/17	
	ACTUAL PRIOR YEAR ENDING 06/30/2015	ESTIMATED CURRENT YEAR ENDING 06/30/2016	TENTATIVE APPROVED	FINAL APPROVED
Taxes				
Property Taxes	2,024,277	2,040,000	2,060,000	2,060,000
Personal Property Taxes	112,723	135,000	145,000	145,000
Subtotal	2,137,000	2,175,000	2,205,000	2,205,000
Intergovernmental Revenues				
State Govnmt'l Services Tax (Formerly Mot	207,167	177,572	177,572	177,572
Subtotal	207,167	177,572	177,572	177,572
Miscellaneous Revenue				
Interest Earned	6,758	4,600	4,600	4,600
Subtotal	6,758	4,600	4,600	4,600
Total All Revenue	2,350,925	2,357,172	2,387,172	2,387,172
Other Financing Sources				
Operating Transfers In (Schedule T)				
T/I from R/A Revolving 3401	15,000	0	0	0
Subtotal Other Financing Sources	15,000	0	0	0
Beginning Fund Balance	3,006,282	3,064,526	3,130,817	3,130,817
Prior Period Adjustment(s)	0	0	0	0
Residual Equity Transfers	0	0	0	0
Total Beginning Fund Balance	3,006,282	3,064,526	3,130,817	3,130,817
Total Available Resources	5,372,207	5,421,698	5,517,989	5,517,989

Redevelopment Agency of the
City of Sparks - Area 1
Schedule C - Debt Service Fund
TAX REVENUE DEBT (3301)

<u>EXPENDITURES and RESERVES</u>	(1)	(2)	(3) (4) BUDGET YEAR ENDING 06/30/17	
	ACTUAL PRIOR YEAR ENDING 06/30/2015	ESTIMATED CURRENT YEAR ENDING 06/30/2016	TENTATIVE APPROVED	FINAL APPROVED

Type: 4 Revenue Bonds

Principal	1,520,000	1,580,000	1,640,000	1,640,000
Interest	770,681	709,881	646,681	646,681
Payments to Refunded Bond Escrow Agen	0	0	0	0
Loss on disposition of assets	0	0	0	0
Fiscal Agent Charges	2,000	1,000	1,000	1,000
Transfers Out	15,000	0	0	0
Reserves - increase or (decrease)	0	0	0	0
Other (Specify)	0	0	0	0
Subtotal	2,307,681	2,290,881	2,287,681	2,287,681

TOTAL RESERVED (MEMO ONLY)	3,064,526	3,130,817	3,230,308	3,230,308
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Ending Fund Balance

Reserved	3,064,526	3,130,817	3,230,308	3,230,308
Unreserved	0	0	0	0
Total Ending Fund Balance	3,064,526	3,130,817	3,230,308	3,230,308

Total Commitments & Fund Balance	5,372,207	5,421,698	5,517,989	5,517,989
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Redevelopment Agency of the
City of sparks - Area 1
Schedule C - Debt Service Fund
TAX REVENUE DEBT (3301)

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 07/01/2016	(9) (10) REQUIREMENTS FOR FISCAL YEAR ENDING 06/30/2017		(11) (9) + (10) TOTAL
								(9) INTEREST PAYABLE	(10) PRINCIPAL PAYABLE	
R/A 1 Tax Revenue Debt Service Fund 3301										
<u>Type 4 Revenue Bonds</u>										
- Tax Increment Refunding Revenue Bonds Series 2010	4	14	22,165,000	05/11/2010	01/15/2023	4.00-5.375%	13,245,000	646,681	1,640,000	2,286,681
Total Type 4 Revenue Bonds			22,165,000				13,245,000	646,681	1,640,000	2,286,681
TOTAL RA 1 TAX REVENUE DEBT SERVICE FUND 3301			22,165,000				13,245,000	646,681	1,640,000	2,286,681

SCHEDULE C-1 - INDEBTEDNESS

Transfer Schedule for Fiscal Year 2016-2017

FUND TYPE	TRANSFERS IN			TRANSFERS OUT		
	FROM FUND	PAGE	AMOUNT	TO FUND	PAGE	AMOUNT
Capital Projects			0	T/O to Debt Svc GO 1301		291,015
Subtotal			0			291,015
Total Transfers			0			291,015

FY17 Note: Transfers in do not match transfers out due to the fact that transfers out include \$291,015 to the City's GO Debt Service Fund, the budgeted transfer in for which is filed under a separate document. The transfers in will not match the transfers out in the City's Budget document, and will be off by this same figure plus a \$1,077,853 transfer from Redevelopment Area 2 to the City's GO Debt Service Fund.

Schedule of Existing Contracts
Budget Year 2016-2017

Local Government: Redevelopment Agency of the City of Sparks - Area 1

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 2015-16	Proposed Expenditure FY 2016-17	Reason or need for contract:
1	<i>None</i>	<i>N/A</i>	<i>N/A</i>	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 2016-2017

Local Government: Redevelopment Agency of the City of Sparks - Area 1
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 2015-16	Proposed Expenditure FY 2016-17	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	<i>None</i>									
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