

SPARKS, CITY OF

City of Sparks

Debt Management Policy Fiscal Year 2022

Prepared July 2021



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EXECUTIVE SUMMARY

This Debt Management Policy was created to fulfill the requirements of NRS 350.013. The City of Sparks (the “City”) is generally limited in the bonds it can issue by its statutory debt limit, the \$3.64 statutory limit on overlapping tax rates and the amount of revenue available to pay debt service on bonds. The policy discusses the outstanding and proposed debt of the City, its ability to afford such debt and other items relating to the issuance of bonds by the City.

As of June 30, 2021, the City has no general obligation debt paid from property taxes outstanding. The City has no general obligation medium-term debt outstanding. The City has \$13,264,870 of general obligation revenue supported debt outstanding which is additionally secured by pledged revenues. The City has no plans at the current time to issue additional debt. The City presently has approximately \$692,296,098 of statutory debt limit available.

The City also has \$80,031,847 of revenue debt, \$5,638,881 of special assessment debt, and \$2,701,341 of other obligations outstanding which are not considered general obligation debt.

This policy contains information regarding the general obligation debt of the City and the Redevelopment Agencies of the City of Sparks.

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Affordability of Existing, Authorized and Proposed General Obligation Debt

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.

NRS 350.013 1.(c)(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.

Outstanding, Authorized, and Proposed General Obligation Debt

As of June 30, 2021, the City has no general obligation bonds paid from a specific property tax outstanding. The City has no general obligation medium-term debt outstanding. The City has \$13,264,870 in general obligation revenue supported debt. The City reserves the privilege of issuing bonds or other securities at any time legal requirements are satisfied.

The City has \$80,031,847 of revenue debt, \$5,638,881 of special assessment debt, and \$2,701,341 of other obligations outstanding which are not counted against its debt limit.

The following table lists the outstanding debt and other obligations of the City.

**Outstanding Debt and Other
Obligations**
June 30, 2021

Issue	Date Issued	Maturity Date	Original Amount	Amount Outstanding
<u>GENERAL OBLIGATION REVENUE BONDS</u>				
Sewer Refunding Bonds 2016B	09/26/16	07/01/29	\$27,099,691	<u>\$13,264,870</u>
TOTAL GENERAL OBLIGATION DEBT				\$13,264,870
<u>REVENUE BONDS</u>				
Senior Sales Tax Anticipation Bonds 2019A	12/19/19	06/15/28	\$79,905,000	\$69,350,000
Subordin. Sales Tax Bonds (Tax Exempt) 2019B	12/19/19	06/15/28	8,926,847	5,951,847
Consolidated Tax Refunding Revenue Bonds	05/29/14	05/01/26	7,330,000	<u>4,730,000</u>
TOTAL REVENUE BONDS				\$80,031,847
<u>SPECIAL ASSESSMENT BONDS</u>				
Local Improvement District #3 Ref. Bonds	12/22/16	09/01/27	\$13,498,290	\$5,638,881
<u>OTHER OBLIGATIONS</u>				
Reno Sewer Refunding Bond 2016	12/01/16	06/30/25	\$12,029,831	\$2,701,341

SOURCE: The City; compiled by JNA Consulting Group, LLC

Appendix B contains individual debt service schedules for each of the outstanding bond issues.

General Obligation Bonds

The District currently has no outstanding general obligation debt outstanding which is paid by the levy of a specific property tax.

General Obligation General Fund Supported Medium-Term Bonds

The City currently has no outstanding medium-term general obligation debt secured by the General Fund and other legally available resources. While the City may pay principal and interest on the bonds from specific revenue sources, medium-term bonds are payable by all legally available funds of the City.

General Obligation Sewer System Revenue Secured Bonds

The City currently has \$13,264,870 of outstanding general obligation debt secured by a lien on the net pledged revenues of its sewer system. The City also has a note with the City of Reno, outstanding in the amount of \$2,701,341, which is not classified as general obligation debt but which is paid from its sewer system revenues. The following table details the payments on the sewer system debt.

Sewer System Revenue Secured Bonds
Outstanding Debt Service
 June 30, 2021

Fiscal Year	G.O. Sewer Revenue Debt		City of Reno Note		Annual Debt Service
	Principal	Interest	Principal	Interest	
2022	\$2,867,990	\$156,079	\$791,261	\$40,329	\$3,855,659
2023	2,474,603	122,282	813,863	27,500	3,438,248
2024	2,232,040	91,132	837,111	14,303	3,174,586
2025	1,977,090	64,991	217,720	2,748	2,262,549
2026	1,561,189	41,006	41,386	333	1,643,914
2027	938,126	22,492	0	0	960,618
2028	475,521	13,697	0	0	489,218
2029	488,808	7,712	0	0	496,520
2030	<u>249,502</u>	<u>1,559</u>	<u>0</u>	<u>0</u>	<u>251,061</u>
Total	\$13,264,870	\$520,950	\$2,701,341	\$85,213	\$16,572,374

SOURCE: The City

The following table demonstrates the debt service coverage for the bonds.

**Sewer System Revenue Secured Bonds
Debt Service Coverage**

	2020 Actual	2021 Estimated	2022 Budgeted
Sewer Fund			
Operating Revenue	\$27,902,473	\$30,501,838	\$31,085,565
Operating Expenses ¹	(20,065,555)	(22,734,981)	(23,810,251)
Connection Charges	6,720,319	10,787,703	11,151,917
Other Pledged Revenues	<u>1,283,599</u>	<u>182,948</u>	<u>177,820</u>
Total Pledged Revenues	15,840,836	18,737,508	18,605,051
Debt Service	4,241,939	4,064,560	3,855,659
Coverage	3.73	4.61	4.83

¹ Operating expenses exclude depreciation.

SOURCE: The City; compiled by JNA Consulting Group, LLC

Other Obligations

The City has various other obligations which are outstanding but which are not regarded as general obligation debt. The following discusses these and the resources used to pay them:

Sales Tax Anticipation Revenue Bonds - The City has \$75,031,847 STAR bonds outstanding paid by sales tax revenues in a portion of the City. Sales tax revenues collected in fiscal year 2020, estimated in 2021, and budgeted in 2022 are \$13,019,211, \$13,067,662, and \$14,900,000, respectively. The debt service on the STAR bonds in those same years are \$11,385,307, \$14,285,830, and \$9,650,552, respectively. The City does not expect pledged revenues on the subordinate STAR bonds to be sufficient to make full principal and interest payments on those bonds. Per bond covenants, the bonds are secured and payable solely from the pledged revenues for those bonds, and the City has no obligation to pay the debt from any other source. Therefore, only the amount of pledged revenues expected to be received are reported as payable in 2021-22. Any payments in excess of the amount shown above will be made from unanticipated pledged revenue receipts.

Consolidated Tax Revenue Bonds - The City has \$4,730,000 in CTAX Revenue bonds outstanding paid by consolidated tax revenues of the City. The City is allowed to pledge up to 15 percent of its consolidated tax revenues. The pledged consolidated tax revenues collected in fiscal year 2020, estimated in 2021, and budgeted in 2022 are \$4,225,767, \$4,740,000, and \$5,014,500, respectively. The debt services in those same years are \$1,036,780, \$1,037,886, and \$1,038,157, respectively.

Special Improvement Districts-The City has \$5,638,881 in SID debt which is paid from assessments on the property in the SID's. Assessment revenues collected in fiscal years 2020, estimated in 2021, and budgeted in 2022 are \$1,048,969, \$1,048,953, and \$1,593,897, respectively. The scheduled debt services in those same years were \$974,869, \$965,858, and \$962,241, respectively.

General Obligation Debt Limit

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.

The City is limited by state statutes as to the amount of general obligation debt it can have outstanding. The limit is equal to 20 percent of the City's total assessed valuation. As of June 30, 2021, the City has no general obligation debt outstanding. The City has \$13,264,870 of general obligation revenue supported debt and no general obligation medium-term debt outstanding. Based on the fiscal year 2021 assessed value, the City's available general obligation debt limit is approximately \$692,296,098.

General Obligation Debt Limit Based on Fiscal Year 2021 Assessed Value

Total Assessed Value	\$3,330,057,738
Redevelopment Agency #1 Assessed Value	144,574,990
Redevelopment Agency #2 Assessed Value	<u>151,422,112</u>
Total Assessed Value	\$3,626,054,840
General Obligation Debt Limit (20%)	725,210,968
Less: Outstanding General Obligation Debt	(13,264,870)
Less: Proposed General Obligation Debt	<u>0</u>
Available General Obligation Debt Limit	<u>\$692,296,098</u>

Other factors also limit the amount of debt the City can issue. These factors include, but are not limited to, voter approval, overlapping tax rates, available revenues, market conditions, and types of projects to be funded.

General Obligation Debt Comparisons

NRS 350.013 1.(c)(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.

NRS 350.013 1.(c)(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.

The following table shows a comparison of the City's outstanding debt with other comparable local governments.

General Obligation Debt Comparison June 30, 2021

District	General Obligation Debt	Population	FY 2021 Assessed Value	GO Debt Per Capita	GO Debt as a % of Assessed Value
Carson City	\$148,436,119	56,434	\$1,814,811,670	\$2,630.26	8.18%
Fallon	9,084,835	9,077	214,123,224	1,000.86	4.24%
Fernley	61,025,168	20,901	881,059,002	2,919.72	6.93%
Henderson	360,745,432	322,800	15,050,072,012	1,117.55	2.40%
Las Vegas	462,775,000	655,489	21,527,798,778	706.00	2.15%
Mesquite	10,880,137	24,971	942,956,787	435.71	1.15%
North Las Vegas	393,160,656	258,761	8,819,237,650	1,519.40	4.46%
Reno	109,965,277	238,615	9,435,896,861	460.85	1.17%
Sparks	13,264,870	93,581	3,330,057,738	141.75	0.40%
			Average:	\$1,214.68	3.45%

¹ 2021 population from the Office of the State Demographer for Nevada, *Certified Population Estimates of Nevada's Counties, Cities and Towns 2000 to 2020*.

² Excludes redevelopment agencies; includes net proceeds of minerals.

SOURCE: Nevada Department of Taxation, Local Government Finance, *Property Tax Rates for Nevada Local Governments, Fiscal Year 2021-2022*; and the cities; compiled by JNA Consulting Group, LLC

Method of Sale

NRS 350.013 1.(c)(5) Policy regarding the manner in which the municipality expects to sell its debt.

Bonds can generally be sold at a competitive sale, negotiated sale, or be privately placed.

Competitive Sale - Offering documents are sent to any firm interested in purchasing the bonds. A day and time are chosen for the sale and bonds are generally awarded to the firm offering the lowest true interest cost on the bonds (the "TIC"). The TIC is the discount rate which results in a present value of the future debt service payments equal to amount bid for the bonds.

Negotiated Sale - One firm, or group of firms, is chosen in advance to offer the bonds for sale. At the time of sale, interest rates and other terms of the bonds are negotiated with the underwriter.

Private Placement - A purchaser, usually an individual or bank, is identified and the bonds are placed directly. Interest rates and other terms of the bonds are negotiated with the purchaser.

NRS 350 generally requires bonds issued by the City to be sold at competitive sale. For most City general obligation bonds, a competitive sale will usually result in the lowest TIC on the bonds. There are certain circumstances under which the City would consider a negotiated sale or private placements. Such circumstances include, but are not limited to:

- 1) Bonds issued with a variable rate of interest
- 2) Bonds rated below A- or not rated
- 3) Very small or very large bond issues
- 4) Unstable or highly volatile markets
- 5) Bonds with unusual security or structure

The City will follow the requirements of NRS 350.155 in choosing a method of sale for its bonds. If the City determines that a negotiated sale is warranted for a general obligation bond or a bond secured by an excise tax, it will distribute a request for proposal to underwriting firms. The selection of an underwriter(s) will be based on a determination of the firm that demonstrates its ability to obtain the overall best interest rate for City. Consideration in making this determination will be given to the firm's experience with similar financings, proposed compensation structure and marketing plan.

Operational Costs of Future Capital Projects

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 City has prepared a Capital Improvement Plan which will be sent under separate cover. Some projects will have an impact on the City's general fund, which is funded in part by the levy of property taxes. The City anticipates that any financial impact on the general fund will be provided for within the maximum rate calculated by the Department of Taxation and that no tax overrides for operational costs will be required.

Capital Improvement Plan

NRS 350.013 1.(d) Either:

(1) Its plan for capital improvement for the ensuing 5 fiscal years, which must include any contemplated issuance of general obligation debt during this period and the sources of money projected to be available to pay the debt; or

(2) A statement indicating that no changes are contemplated in its plan for capital improvement for the ensuing 5 fiscal years.

A detailed capital plan is submitted under separate cover.

Chief Financial Officer of the City

NRS 350.013 1.(e) A statement containing the name, title, mailing address and telephone number of the chief financial officer of the municipality.

The chief financial officer of the City is:

Jeff Cronk
Chief Financial Officer
City of Sparks
431 Prater Way
Sparks, Nevada 89734-0857
775-353-2301
775-353-2489 fax

APPENDIX A

**DEBT INFORMATION OF
REDEVELOPMENT AGENCIES**

The City Council also sits as the governing body for the Redevelopment Agency of the City of Sparks #1 and the Redevelopment Agency of the City of Sparks #2 (collectively, the “Redevelopment Agencies”). This appendix discusses the outstanding debt information for these entities. Neither of the Redevelopment Agencies has any general obligation debt outstanding. The Redevelopment Agencies have no statutory limit on the amount of general obligation debt they may issue.

Redevelopment Agency of the City of Sparks #1

The Redevelopment Agency of the City of Sparks (“Redevelopment Agency #1”) has one revenue bond outstanding in the amount of \$2,075,000 as of June 30, 2021.

Redevelopment Agency of the City of Sparks #1 Outstanding Debt June 30, 2021

Issue	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Tax Allocation Refunding	05/11/10	01/15/2022	\$22,165,000	\$2,075,000

The Redevelopment Agency #1 has pledged and pays the debt service for the tax allocation bonds with the tax allocation revenues.

The Redevelopment Agency #1 has no statutory debt limits on the amount of general obligation debt it can have outstanding.

Tax Allocation Revenues are budgeted to be \$3,750,000 in fiscal year 2022. The table below shows the debt service for the Tax Allocation Refunding Bonds.

**Debt Service Summary
2010 Tax Allocation Refunding Bonds**

Fiscal Year	Principal	Interest	Total Payment
2022	\$2,075,000	\$103,750	\$2,178,750
TOTAL	\$2,075,000	\$103,750	\$2,178,750

The following table demonstrates the sufficiency of these revenues to pay the outstanding bonds.

**Tax Allocation Refunding
Bonds Debt Service Coverage**

	2020 Audited	2021 Estimated	2022 Budgeted
Total Revenues	\$3,336,981	\$3,555,000	\$3,750,000
Annual Debt Service	\$4,470,006	\$2,177,500	\$2,178,750
Coverage ¹	.75	1.63	1.7

¹ Debt Service FY2020 is overstated due to prepayment of outstanding debt.

SOURCE: The City

Redevelopment Agency of the City of Sparks #2

The Redevelopment Agency of the City of Sparks ("Redevelopment Agency #2") has no general obligation debt outstanding as of June 30, 2021. The Redevelopment Agency #2 has \$10,548,000 of revenue bonds outstanding as of June 30, 2021.

**Redevelopment Agency of the City of Sparks
#2 Outstanding Debt
June 30, 2021**

Issue	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
<u>REVENUE BONDS</u>				
Tax Increment Ref Bonds, Series 2014	08/14/14	06/01/29	\$7,285,000	\$4,435,000
Tax Increment Ref Bonds, Series 2016	10/11/16	06/01/28	9,660,000	<u>6,113,000</u>
TOTAL REVENUE DEBT				\$10,548,000

The bonds are secured by and repaid from the tax increment revenues generated in Redevelopment Agency #2. The Redevelopment Agency #2 has no statutory debt limits on the amount of general obligation debt it can have outstanding.

Tax Allocation Revenues are budgeted to be \$4,975,000 in fiscal year 2022. The table below shows the debt service for the Tax Increment Bonds:

Tax Increment Revenue Secured Bonds
Outstanding Debt Service
 June 30, 2021

Fiscal Year	2014 Bonds		2016 Bonds		Annual Debt Service
	Principal	Interest	Principal	Interest	
2022	\$445,000	\$144,093	\$814,000	\$142,433	\$1,545,526
2023	460,000	129,635	831,000	123,467	1,544,102
2024	470,000	114,690	854,000	104,104	1,542,794
2025	490,000	99,419	875,000	84,206	1,548,626
2026	505,000	83,499	891,000	63,819	1,543,318
2027	525,000	67,092	915,000	43,058	1,550,150
2028	540,000	50,035	933,000	21,739	1,544,774
2029	<u>1,000,000</u>	<u>32,490</u>	<u>0</u>	<u>0</u>	<u>1,032,490</u>
TOTAL	\$4,435,000	\$720,953	\$6,113,000	\$582,826	\$11,851,779

The following table demonstrates the sufficiency of these revenues to pay the outstanding bonds.

**Tax Increment Refunding
Bonds Debt Service Coverage**

	2020 Audited	2021 Estimated	2022 Budgeted
Total Revenues	\$4,086,610	\$4,690,528	\$4,975,000
Annual Debt Service	\$1,540,538	\$1,542,997	\$1,545,526
Coverage	2.65	3.04	3.23

SOURCE: The City

APPENDIX B

DEBT SERVICE SCHEDULES

Debt Service Summary
2007 Reno SRF Clean Water Note

Fiscal Year	Principal	Interest	Total Payment
2022	791,261	40,329	831,590
2023	813,863	27,500	841,363
2024	837,111	14,303	851,414
2025	217,720	2,748	220,468
2026	<u>41,386</u>	<u>333</u>	<u>41,719</u>
TOTAL	\$2,701,341	\$85,213	\$2,786,554

Debt Service Summary
Sewer Refunding Bonds, Series 2016B

Date	Principal	Coupon	Interest	Total Payment	Annual Payment
07/01/21	1,557,101	1.250%	82,905	1,640,006	
01/01/22	1,310,889	1.250%	73,174	1,384,063	3,024,069
07/01/22	1,228,678	1.250%	64,981	1,293,659	
01/01/23	1,245,925	1.250%	57,301	1,303,226	2,596,885
07/01/23	1,263,414	1.250%	49,514	1,312,928	
01/01/24	968,626	1.250%	41,618	1,010,244	2,323,172
07/01/24	981,845	1.250%	35,564	1,017,409	
01/01/25	995,245	1.250%	29,427	1,024,672	2,042,081
07/01/25	865,402	1.250%	23,207	888,609	
01/01/26	695,787	1.250%	17,798	713,585	1,602,195
07/01/26	705,235	1.250%	13,450	718,685	
01/01/27	232,891	1.250%	9,042	241,933	960,618
07/01/27	236,122	1.250%	7,586	243,709	
01/01/28	239,399	1.250%	6,111	245,509	489,218
07/01/28	242,720	1.250%	4,614	247,335	
01/01/29	246,088	1.250%	3,097	249,185	496,520
07/01/29	<u>249,502</u>	1.250%	<u>1,559</u>	<u>251,062</u>	<u>251,062</u>
TOTAL	\$13,264,870		\$520,949	\$13,785,820	\$13,785,820

**Debt Service Summary
Local Improvement District #3
Refunding Bonds Series 2016**

Date	Principal	Coupon	Interest	Total Payment	Annual Payment
09/01/21	760,842	3.830%	100,700	861,542	
03/01/22			100,700	100,700	962,241
09/01/22	781,063	3.830%	85,936	866,999	
03/01/23			85,936	85,936	952,935
09/01/23	802,961	3.830%	70,769	873,730	
03/01/24			70,769	70,769	944,498
09/01/24	831,302	3.830%	55,121	886,423	
03/01/25			55,121	55,121	941,543
09/01/25	855,241	3.830%	38,972	894,213	
03/01/26			38,972	38,972	933,185
09/01/26	880,004	3.830%	22,357	902,361	
03/01/27			22,357	22,357	924,718
09/01/27	<u>727,469</u>	3.830%	<u>13,931</u>	<u>741,400</u>	<u>741,400</u>
TOTAL	\$5,638,881		\$761,639	\$6,400,520	\$6,400,520

**Debt Service Summary
C-Tax Revenue Refunding Bond, Series 2014**

Date	Principal	Coupon	Interest	Total Payment	Annual Payment
11/01/21			\$73,079	\$73,079	
05/01/22	\$892,000	3.090%	73,079	965,079	\$1,038,157
11/01/22			59,297	59,297	
05/01/23	918,000	3.090%	59,297	977,297	1,036,594
11/01/23			45,114	45,114	
05/01/24	944,000	3.090%	45,114	989,114	1,034,228
11/01/24			30,529	30,529	
05/01/25	973,000	3.090%	30,529	1,003,529	1,034,058
11/01/25			15,496	15,496	
05/01/26	<u>1,003,000</u>	3.090%	<u>15,496</u>	<u>1,018,496</u>	<u>1,033,993</u>
TOTAL	\$4,730,000		\$447,030	\$5,117,030	\$5,117,030

**Debt Service Summary
Senior Sales Tax Anticipation
Revenue Bonds Series 2019A**

Date	Principal	Coupon	Interest	Total Payment	Annual Payment
12/15/21			923,619	923,619	
06/15/22	7,595,000	2.500%	923,619	8,518,619	9,442,238
12/15/22			828,681	828,681	
06/15/23	8,000,000	2.500%	828,681	8,828,681	9,657,363
12/15/23			728,681	728,681	
06/15/24	8,360,000	2.500%	728,681	9,088,681	9,817,363
12/15/24			624,181	624,181	
06/15/25	8,730,000	2.750%	624,181	9,354,181	9,978,363
12/15/25			504,144	504,144	
06/15/26	9,135,000	2.750%	504,144	9,639,144	10,143,288
12/15/26			378,538	378,538	
06/15/27	9,555,000	2.750%	378,538	9,933,538	10,312,075
12/15/27			247,156	247,156	
06/15/28	<u>17,975,000</u>	2.750%	<u>247,156</u>	<u>18,222,156</u>	<u>18,222,156</u>
TOTAL	\$69,350,000		\$8,470,000	\$77,820,000	\$77,820,000

**Debt Service Summary
Subordinate Sales Tax Anticipation
Revenue Bonds Series 2019B**

Date	Principal	Coupon	Interest	Total Payment	Annual Payment
12/15/21			\$104,157	\$104,157	
06/15/22	0		104,157	104,157	\$208,315
12/15/22			104,157	104,157	
06/15/23	0		104,157	104,157	208,315
12/15/23			104,157	104,157	
06/15/24	0		104,157	104,157	208,315
12/15/24			104,157	104,157	
06/15/25	0		104,157	104,157	208,315
12/15/25			104,157	104,157	
06/15/26	0		104,157	104,157	208,315
12/15/26			104,157	104,157	
06/15/27	0		104,157	104,157	208,315
12/15/27			104,157	104,157	
06/15/28	<u>5,951,847</u>	<u>3.500%</u>	<u>104,157</u>	<u>6,056,005</u>	<u>6,160,162</u>
TOTAL	\$5,951,847		\$1,458,203	\$7,410,050	\$7,410,050

INDEBTEDNESS REPORT

As of June 30, 2021
Postmark Deadline 8/01/2021Entity: City of SparksDate: 7/08/2021DEBT MANAGEMENT COMMISSION ACT (NRS 350.013)

1. Has your local government issued any new General Obligation Bond issues since July 1, 2020? Yes ☐ No ☒

If so, amount: _____ Date: _____

2. Has your local government approved any new Medium-Term Obligation issues since July 1, 2020? Yes ☐ No ☒

If so, amount: _____ Date: _____

3. Has your local government updated its debt management policy? (Per NRS 350.013) If Yes, submit updated policy with Indebtedness Report or prepare a statement discussing the following areas: Yes ☒ No ☐

- A. Discuss the ability of your entity to afford existing and future general obligation debt.
- B. Discuss your entity's capacity to incur future general obligation debt without exceeding the applicable debt limit.
- C. Discuss the general obligation debt per capita of your entity as compared with the average for such debt of local governments in Nevada.
- D. Discuss general obligation debt of your entity as a percentage of **assessed valuation** of all taxable property within the boundaries of your entity. (REDBOOK FY 2020-2021)
- E. Present a policy statement regarding the manner in which your entity expects to sell its debt.
- F. Discuss the sources of money projected to be available to pay existing and future general obligation debt.
- G. Discuss the operating costs and revenue sources with each project.

If No, please provide a brief explanation.

4. Has your local government updated its five-year capital improvement plan? Yes ☒ No ☐
(Required pursuant to NRS 350.013, 354.5945 & 354.5947)

Submitted By: Jeff Cronk, CFO
(signature)
(775) 353-2301
(Phone number)



Form 4410LGF

SCHEDULE OF INDEBTEDNESS REPORT

For June 30, 2021

Postmark Deadline 8/1/2020

Entity: City of Sparks

CHECK HERE IF YOUR ENTITY HAS NO OUTSTANDING DEBT☐**GENERAL OBLIGATION BONDS**

1. General obligation	_____
2. General obligation/revenue	<u>13,264,870</u>
3. General obligation special assessment	_____
Total general obligation bonded debt	<u>\$13,264,870</u>

MEDIUM-TERM OBLIGATIONS

1. General Obligation bonds	_____
2. Negotiable notes or bonds	_____
3. Capital lease purchases	_____
Total medium-term obligation debt	<u>0</u>

REVENUE BONDS**80,031,847****OTHER DEBT**

1. Capital lease purchases-MTO not required or prior to law change	_____
2. Mortgages	_____
3. Warrants	_____
4. Special Assessments	<u>5,638,881</u>
5. Other (Note Payable Obligations)	<u>2,701,341</u>
6. Other (specify) _____	
Total other debt	<u>8,340,222</u>

TOTAL INDEBTEDNESS**\$101,636,939**

Authorized but unissued general obligation bonds _____

Note: Please explain and provide documentation for any differences between the amounts reported on this **schedule** and those reported on **Schedule C-1** of your **Final Fiscal Year 2021-2022 budget**.

Schedule C-1 incorrectly shows \$9,825,000 of medium-term bonds outstanding. The bonds were pre-paid on March 1, 2021. Subsequent to the submission of the C-1, the City prepaid its 2019C STAR bonds and also prepaid \$2,375,000 of its 2019B STAR bonds.

Form **4410LGF****SCHEDULE OF FIVE YEAR DEBT SERVICE REQUIREMENTS**as of June 30, 2021
Postmark Deadline 8/1/2020Entity: **City of Sparks**

For the next five years, list the total dollar requirement for principal and interest broken down for each type of indebtedness the entity currently has outstanding.

	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>
<u>General Obligation Bonds</u>					
G/O Bonds					
G/O Revenue	\$ 3,024,069	\$ 2,596,885	\$ 2,323,172	\$ 2,042,081	\$ 1,602,195
G/O Special Assessment					
<u>Medium-Term Obligation</u>					
G/O Bonds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Notes/Bonds					
Leases/ Purchases					
<u>Revenue Bonds</u>	\$ 10,688,709	\$ 10,902,271	\$ 11,059,905	\$ 11,220,736	\$ 11,385,595
<u>Other Debt</u>					
Other Lease Purchases					
Mortgages					
Warrants					
Special Assessments	\$ 962,241	\$ 952,935	\$ 944,498	\$ 941,543	\$ 933,185
Other Debt	\$ 831,591	\$ 841,363	\$ 851,414	\$ 220,468	\$ 41,719
TOTAL	\$ 15,506,610	\$ 15,293,454	\$ 15,178,989	\$ 14,424,828	\$ 13,962,694



SCHEDULE OF DEBT REPAYMENT

As of June 30, 2021

Postmark Deadline 8/1/2021

The repayment schedules should start with the payment of principal and interest due **after June 30, 2021** and continue until any particular issue is retired.

Refer to Exhibits

- | | |
|-----------|--|
| Exhibit A | General Obligation/Revenue Supported Bonds |
| Exhibit B | Revenue Bonds |
| Exhibit C | Special Assessment Bonds |
| Exhibit D | Other Note Payable Obligations |

Entity: City of Sparks

CONTEMPLATED GENERAL OBLIGATION DEBT

(1) PURPOSE	(2) TYPE	(3) AMOUNT	(4) TERM	(5) FINAL PAYMENT DATE	(6) INTEREST RATE
N/A					

SPECIAL ELECTIVE TAX

PURPOSE	TYPE	RATE	ELECTION DATE	EXPIRATION DATE	IMPLEMENTATION DATE
N/A					

CITY OF SPARKS, NEVADA

SCHEDULE OF DEBT REPAYMENT AS OF JUNE 30, 2021

GENERAL OBLIGATION REVENUE SUPPORTED BONDS - Exhibit A

YEAR ENDED JUNE 30	Enterprise Debt SRF \$27,099,691 Series 2016B 1.25%		TOTAL G.O. REV SUPPORTED PRINCIPAL & INTEREST		
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2022	2,867,990	156,079	2,867,990	156,079	3,024,069
2023	2,474,603	122,282	2,474,603	122,282	2,596,885
2024	2,232,040	91,132	2,232,040	91,132	2,323,172
2025	1,977,090	64,991	1,977,090	64,991	2,042,081
2026	1,561,189	41,006	1,561,189	41,006	1,602,195
2027	938,126	22,492	938,126	22,492	960,618
2028	475,521	13,697	475,521	13,697	489,218
2029	488,808	7,712	488,808	7,712	496,520
2030	249,502	1,559	249,502	1,559	251,062
	<u>13,264,870</u>	<u>520,950</u>	<u>13,264,870</u>	<u>520,950</u>	<u>13,785,820</u>

Note: SRF Enterprise Debt was consolidated and refinanced on December 2016.

CITY OF SPARKS, NEVADA
 SCHEDULE OF DEBT REPAYMENT AS OF JUNE 30, 2021

Revenue Bonds - Exhibit B

YEAR ENDED JUNE 30	Debt Service Fund CTX Revenue Bonds		General Fund Sales Tax Revenue Bonds		General Fund Sales Tax Revenue Bonds				
	Consolidated Tax Refunding Bonds Series 2014		Sr. Sales Tax Anticipation Revenue Bonds Series A		Subordinate Sales Tax * Anticipation Revenue Bonds Series B		TOTAL REVENUE BONDS		
	\$7,330,000 3.09%		\$79,905,000 2.5% - 2.75%		\$8,926,847 3.50%		PRINCIPAL & INTEREST PAYMENTS		
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL
2022	892,000	146,157	7,595,000	1,847,238	0	208,315	8,487,000	2,201,710	10,688,710
2023	918,000	118,594	8,000,000	1,657,363	0	208,315	8,918,000	1,984,272	10,902,272
2024	944,000	90,228	8,360,000	1,457,363	0	208,315	9,304,000	1,755,906	11,059,906
2025	973,000	61,058	8,730,000	1,248,363	0	208,315	9,703,000	1,517,736	11,220,736
2026	1,003,000	30,993	9,135,000	1,008,288	0	208,315	10,138,000	1,246,996	11,385,596
2027			9,555,000	757,075	0	208,315	9,555,000	965,390	10,520,390
2028			17,975,000	494,313	5,951,847	208,315	23,926,847	702,628	24,629,475
	4,730,000	447,030	69,350,000	8,470,003	5,951,847	1,458,205	80,031,847	10,374,638	90,047,082

CITY OF SPARKS, NEVADA

sCHEDULE OF DEBT REPAYMENT AS OF JUNE 30, 2021

Special Assessment Bonds - Exhibit C

RESOURCE					
General Fund					
Special Assessments					
Local Improvement District #3 Ltd Obligation Improvement Bonds Series 2016 \$13,498,290 3.83%		TOTAL SPECIAL ASSESSMENT BONDS PRINCIPAL & INTEREST PAYMENTS			
YEAR ENDED JUNE 30	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2022	760,842	201,399	760,842	201,399	962,241
2023	781,063	171,872	781,063	171,872	952,935
2024	802,961	141,537	802,961	141,537	944,498
2025	831,302	110,241	831,302	110,241	941,543
2026	855,241	77,944	855,241	77,944	933,185
2027	880,004	44,714	880,004	44,714	924,718
2028	727,468	13,931	727,468	13,931	741,399
	5,638,881	761,638	5,638,881	761,638	6,400,519

Note:

CITY OF SPARKS, NEVADA
SCHEDULE OF DEBT REPAYMENT AS OF JUNE 30, 2021

Other Note Payable Obligations - Exhibit D

RESOURCE					
Other Note Payable					
Clean Water Way Reno SRF \$23,206,149 1.6042%		TOTAL OTHER NOTE PAYABLE OBLIGATIONS PRINCIPAL & INTEREST PAYMENTS			
YEAR ENDED JUNE 30	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL
2022	791,261	40,329	791,261	40,329	831,590
2023	813,863	27,500	813,863	27,500	841,363
2024	837,111	14,303	837,111	14,303	851,414
2025	217,720	2,748	217,720	2,748	220,468
2026	41,386	333	41,386	333	41,719
2027			0	0	0
2028			0	0	0
	2,701,341	85,213	2,701,341	85,213	2,786,554