



JNA Consulting Group, LLC
Independent Registered Municipal Advisor

MEMORANDUM

DATE: March 28, 2023

TO: Washoe County Debt Management Commission

FROM: JNA Consulting Group, LLC

RE: \$15,000,000 City of Sparks, Nevada General Obligation (Limited Tax) Fire Station Bonds
(Additionally Secured by Pledge Revenues)

Attached is a copy of the financial information in support of the City of Sparks' request to issue general obligation bonds for fire protection projects. This information also serves as an update to the City's Capital Improvement Plan, Debt Management Policy and Statement of Current and Contemplated Debt which were previously filed to the Washoe County Debt Management Commission and the State Department of Taxation.

Please contact Marty Johnson at JNA Consulting Group, LLC if you have questions or need additional information.

Thank you for your assistance.

cc: Department of Taxation
Jeff Cronk
Ryan Henry
Dave Lucas
Martin Johnson
(all w/encl.)

**FINANCIAL INFORMATION PRESENTED
TO THE DEBT MANAGEMENT COMMISSION OF
WASHOE COUNTY, NEVADA**

IN SUPPORT OF THE PROPOSED

**\$15,000,000
City of Sparks, Nevada
General Obligation (Limited Tax)
Fire Station Bonds
(Additionally Secured by Pledged Revenues)
Series 2023**

EXECUTIVE SUMMARY

The City of Sparks, Nevada (the "City") is proposing to issue up to \$15,000,000 in General Obligation (Limited Tax) Fire Station Bonds (Additionally Secured by Pledged Revenues) (the "Proposed Bonds"). The City has \$7,922,277 of revenue-supported general obligation debt outstanding as of March 1, 2023. The City will pledge 15% of its Consolidated Tax Revenues (the "Pledged Revenues") for repayment of the Proposed Bonds. The City anticipates minimum debt service coverage of 3.20x's after issuing the Proposed bonds and therefore does not anticipate the Proposed Bonds will have an impact on the City's tax rate. The highest overlapping tax rate within the City for fiscal year 2022-23 is \$3.6600.

This document details how the Proposed Bonds fit within the criteria outlined in Nevada Revised Statutes ("NRS") 350.015. A summary follows:

1. Debt Limit (pg. 3) - After issuance of the Proposed Bonds, in excess of \$765,000,000 of debt limit will be remaining.
2. Impact on Property Tax (pg. 4) - Based on the debt service coverage provided by the Pledged Revenues, the City does not anticipate a need to increase its property tax rate.
3. Impact on Overlapping Tax Rate (pg. 7) - With no expected impact on the City's tax rate, there should be no impact on the ability of other overlapping governments tax rates as a result of the issuance of the Proposed Bonds.

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THE PROJECT

The City intends to use the proceeds of the Proposed Bonds to defray wholly or in part the cost to acquire, establish, construct, expand, improve and equip certain fire protection projects as set forth in NRS 268.688 and NRS 268.676, including, but not limited to, fire protection and fire-fighting facilities. The City currently anticipates the Proposed Bonds will fund the Fire Station #6 project.

CRITERIA FOR CONSIDERATION (NRS 350.015)

NRS 350.015 Criteria for approval or disapproval of certain proposals; requests for information; use of money received from sale of general obligation debt or from special elective tax.

1. In determining whether to approve, conditionally or provisionally approve, or disapprove a proposal to incur debt, to enter an installment-purchase agreement with a term of more than 10 years or to levy a special elective tax, the commission shall not, except as otherwise provided in paragraph (d) and NRS 350.0135, initiate a determination as to whether the proposed debt, installment-purchase agreement or special elective tax is sought to accomplish a public purpose or to satisfy a public need. The commission shall consider, but is not limited to, the following criteria:

(a) If the proposal is to incur debt, the amount of debt outstanding on the part of the municipality proposing to incur the debt.

(b) The effect of the tax levy required for debt service on the proposed debt or to repay an installment-purchase agreement with a term of more than 10 years, or of the proposed levy of a special elective tax, upon the ability of the municipality proposing to incur the general obligation debt, enter the installment-purchase agreement or levy the special elective tax and of other municipalities to raise revenue for operating purposes.

(c) The anticipated need for other incurrences of debt, installment-purchase agreements or levies of special elective taxes by the municipality proposing to incur the debt, enter the installment-purchase agreement or levy the special elective tax and other municipalities whose tax-levying powers overlap, as shown by the county or regional master plan, if any, and by other available information.

(d) If the information set forth in paragraph (b) of subsection 4 of NRS 350.014 indicates that the proposal would result in a combined property tax rate in any of the overlapping entities within the county which exceeds the specified percentage, pursuant to subsection 1 of NRS 350.0155, of the limit provided in NRS 361.453:

(1) The public need to be served by the proceeds from the proposed debt or tax levy in accordance with the priorities established pursuant to subsection 2 of NRS 350.0155; and

(2) A comparison of that public need and other public needs that appear on the statements of current and contemplated general obligation debt and special elective taxes submitted pursuant to paragraphs (a) and (b) of subsection 1 of NRS 350.013 that may affect the combined property tax rate in any of the overlapping entities within the county.

2. The commission may make reasonable requests from a municipality for information relating to the criteria described in paragraphs (a) to (d), inclusive, of subsection 1. A municipality shall use its best efforts to comply with information requests from the commission in a timely manner.

3. If the commission approves the proposal, the amount received from the sale of the general obligation debt or from the special elective tax may be expended only for the purposes described in the proposal.

(Added to NRS by 1967, 1386; A 1977, 539; 1993, 2658; 1995, 770, 1959; 2001, 884, 2309)–
(Substituted in revision for NRS 350.0051)

DEBT LIMITATION AND OUTSTANDING GENERAL OBLIGATION INDEBTEDNESS

NRS 350.015.1(a) If the proposal is to incur debt, the amount of debt outstanding on the part of the municipality proposing to incur the debt.

Nevada Revised Statutes limit the total principal amount of general obligation debt the City may have outstanding to 20% of the City’s total assessed valuation including the redevelopment areas. The City’s limit for general obligation debt based on the Fiscal Year 2022-23 assessed valuation of \$3,941,988,097 (including the Sparks Redevelopment Agency #1 and Sparks Redevelopment Agency #2 in the amount of \$346,011,010) is \$788,399,619.

The tables on the following tables present the outstanding and proposed indebtedness of the City.

OUTSTANDING GENERAL OBLIGATION DEBT AND OTHER OBLIGATIONS
 Sparks, Nevada
 March 1, 2023

| | Date Issued | Maturity Date | Original Amount | Amount Outstanding |
|--|----------------|------------------|--------------------|-----------------------|
| GENERAL OBLIGATION DEBT | | | | |
| <u>GENERAL OBLIGATION REVENUE BONDS ¹</u> | | | | |
| Sewer Refunding (SRF) Bonds, Series 2016B | 09/26/16 | 07/01/29 | \$27,099,691 | <u>\$7,922,277</u> |
| TOTAL GENERAL OBLIGATION DEBT | | | | <u>\$7,922,277</u> |
| OTHER OBLIGATIONS | | | | |
| <u>REVENUE BONDS</u> | | | | |
| C-Tax Refunding Revenue Bonds, Series 2014 | 05/29/14 | 05/01/26 | \$7,330,000 | \$3,838,000 |
| Senior Sales Tax Anticipation Bonds, Series 2019A | 12/19/19 | 06/15/28 | \$79,905,000 | <u>61,485,000</u> |
| TOTAL | | | | <u>\$65,323,000</u> |
| <u>SPECIAL ASSESSMENT BONDS</u> | | | | |
| Local Improvement District #3 Refunding Bonds, Series 2016 | 12/22/16 | 09/01/27 | \$13,498,290 | <u>\$4,096,976</u> |
| TOTAL | | | | <u>\$4,096,976</u> |

¹ General obligation bonds additionally secured by pledged revenues; if revenues are insufficient, the City is obligated to pay the difference between such revenues and debt service requirements of the respective obligations. The property tax rate available to pay these bonds is limited to the \$3.64 statutory and the \$5.00 constitutional limits.

SOURCE: The City Finance Department, compiled by JNA Consulting Group, LLC

PROPOSED GENERAL OBLIGATION DEBT
As of March 1, 2023

| Proposed Bonds | Issuance Date | Proposed Amount |
|--------------------|---------------|---------------------|
| Fire Station Bonds | Fall 2023 | <u>\$15,000,000</u> |
| TOTAL | | <u>\$15,000,000</u> |

SOURCE: The City

As shown in the following table the City has sufficient capacity within its general obligation statutory debt limitation to issue the Proposed Bonds.

STATUTORY DEBT CAPACITY
City of Sparks, Nevada
March 1, 2023

| | |
|--|--------------------|
| City of Sparks Assessed Valuation | \$3,595,987,087 |
| Redevelopment Agency #1 Assessed Valuation | 157,765,795 |
| Redevelopment Agency #2 Assessed Valuation | <u>188,245,215</u> |
| Total Assessed Valuation | \$3,941,998,097 |
| General Obligation Debt Limit (20%) | \$788,399,619 |
| Outstanding General Obligation Indebtedness | \$7,992,277 |
| Plus: Proposed Bonds | <u>15,000,000</u> |
| Outstanding and Proposed General Obligation Indebtedness | \$22,992,277 |
| Additional Statutory Debt Limitation | \$765,407,342 |

SOURCE: State of Nevada Department of Taxation and the City

PROPOSED BOND AFFORDABILITY AND TAX RATE IMPACT

NRS 350.015.1(b) The effect of the tax levy required for debt service on the proposed debt or to repay an installment-purchase agreement with a term of more than 10 years, or of the proposed levy of a special elective tax, upon the ability of the municipality proposing to incur the general obligation debt, enter the installment-purchase agreement or levy the special elective tax and of other municipalities to raise revenue for operating purposes.

The City will additionally secure the Proposed Bonds with the Pledged Revenues, which consist of fifteen percent of the City's Consolidated Tax revenues. The City currently has its 2014 Consolidated Tax Refunding Bonds outstanding (the "Senior Lien Bonds") which have a lien on the Pledged Revenues senior to that of the Proposed Bonds. The Senior Lien Bonds are secured solely by the Pledged Revenues and are not general obligations of the City. The City anticipates that the Pledged Revenues will be sufficient to repay the outstanding Senior Lien Bonds and the Proposed Bonds, and that the issuance of the Proposed Bonds should not have an impact on the overlapping tax rate within the City.

The tables on the following tables demonstrate proposed debt service and the City's ability to repay the Senior Lien Bonds and the Proposed Bonds with the Pledged Revenues.

OUTSTANDING AND PROPOSED DEBT SERVICE REQUIREMENTS
March 1, 2023

| Fiscal Year Ending June 30 | Outstanding Senior Lien Bonds | | | Proposed Bonds | | | Combined Debt Service |
|----------------------------|-------------------------------|-----------|-------------|------------------|-----------------------|------------------|-----------------------|
| | Principal | Interest | Total | Principal | Interest ¹ | Total | |
| 2023 ² | \$918,000 | \$118,594 | \$1,036,594 | \$0 | \$0 | \$0 | \$1,036,594 |
| 2024 | 944,000 | 90,228 | 1,034,228 | 0 | 550,000 | 550,000 | 1,584,228 |
| 2025 | 973,000 | 61,058 | 1,034,058 | 0 | 825,000 | 825,000 | 1,859,058 |
| 2026 | 1,003,000 | 30,993 | 1,033,993 | 0 | 825,000 | 825,000 | 1,858,993 |
| 2027 | 0 | 0 | 0 | 555,000 | 825,000 | 1,380,000 | 1,380,000 |
| 2028 | 0 | 0 | 0 | 585,000 | 794,475 | 1,379,475 | 1,379,475 |
| 2029 | 0 | 0 | 0 | 620,000 | 762,300 | 1,382,300 | 1,382,300 |
| 2030 | 0 | 0 | 0 | 650,000 | 728,200 | 1,378,200 | 1,378,200 |
| 2031 | 0 | 0 | 0 | 690,000 | 692,450 | 1,382,450 | 1,382,450 |
| 2032 | 0 | 0 | 0 | 725,000 | 654,500 | 1,379,500 | 1,379,500 |
| 2033 | 0 | 0 | 0 | 765,000 | 614,625 | 1,379,625 | 1,379,625 |
| 2034 | 0 | 0 | 0 | 810,000 | 572,550 | 1,382,550 | 1,382,550 |
| 2035 | 0 | 0 | 0 | 855,000 | 528,000 | 1,383,000 | 1,383,000 |
| 2036 | 0 | 0 | 0 | 900,000 | 480,975 | 1,380,975 | 1,380,975 |
| 2037 | 0 | 0 | 0 | 950,000 | 431,475 | 1,381,475 | 1,381,475 |
| 2038 | 0 | 0 | 0 | 1,000,000 | 379,225 | 1,379,225 | 1,379,225 |
| 2039 | 0 | 0 | 0 | 1,055,000 | 324,225 | 1,379,225 | 1,379,225 |
| 2040 | 0 | 0 | 0 | 1,115,000 | 266,200 | 1,381,200 | 1,381,200 |
| 2041 | 0 | 0 | 0 | 1,175,000 | 204,578 | 1,379,875 | 1,379,875 |
| 2042 | 0 | 0 | 0 | 1,240,000 | 140,250 | 1,380,250 | 1,380,250 |
| 2043 | <u>0</u> | <u>0</u> | <u>0</u> | <u>1,310,000</u> | <u>72,050</u> | <u>1,382,050</u> | <u>1,382,050</u> |
| | \$3,838,000 | \$300,873 | \$3,102,279 | \$15,000,000 | \$10,671,375 | \$25,671,375 | \$28,773,654 |

¹ Interest rate estimated at 5.50%.

² Includes all payments due in Fiscal Year 2023.

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

PLEDGED REVENUE AND SUFFICIENCY OF CONSOLIDATED TAX
City of Sparks, Nevada

| | Fiscal Year | | | |
|------------------------------------|-------------------|-------------------|-------------------|---------------------|
| | 2020 (Audited) | 2021 (Audited) | 2022 (Audited) | 2023 (Estimated) |
| PLEDGED REVENUES | \$4,225,767 | \$5,175,167 | \$5,703,934 | \$5,955,000 |
| Senior Lien Bonds ¹ | \$1,036,780 | \$1,037,886 | \$1,038,157 | \$1,036,594 |
| Coverage | 4.08 | 4.99 | 5.49 | 5.74 |
| Proposed Debt Service ² | <u>0</u> | <u>0</u> | <u>0</u> | <u>825,000</u> |
| Combined Debt Service ² | \$0 | \$1,037,886 | \$1,038,157 | \$1,861,594 |
| COVERAGE ALL BONDS | 4.08 | 4.98 | 5.49 | 3.20 |

¹ Payments due on the 2014 Senior Lien Bonds which mature in 2026.

² Represents debt service due in fiscal year 2025 which when combined with the payment on the 2014 Senior Lien Bonds results in maximum annual debt service paid from the Pledged Revenues. Once the 2014 Senior Lien Bonds mature in 2026, estimated annual debt service is approximately \$1,380,000.

SOURCE: City Finance Department, compiled by JNA Consulting Group, LLC

EFFECTS ON OTHER LOCAL GOVERNMENTS

NRS 350.015.1(c) The anticipated need for other incurrences of debt, installment-purchase agreements or levies of special elective taxes by the municipality proposing to incur the debt, enter the installment-purchase agreement or levy the special elective tax and other municipalities whose tax-levying powers overlap, as shown by the county or regional master plan, if any, and by other available information.

The City anticipates the Pledged Revenues will be sufficient to pay the principal and interest on the Senior Lien Bonds and the Proposed Bonds when due. Therefore, the Proposed Bonds should not affect the ability of other political subdivisions to raise revenue for operating purposes or debt service requirements.

The statutory tax rate limit is \$3.64 per \$100 of assessed valuation (\$0.02 of State levied tax is not subject to the statutory limitation). For fiscal year 2022-23, the highest overlapping tax rate in Carson City is \$3.5700. The overlapping tax rates should not be affected by the issuance of the Proposed Bonds.

ADDITIONAL GENERAL OBLIGATION INDEBTEDNESS AND PROPOSED TAX LEVIES

NRS 350.015.1(d) If the information set forth in paragraph (b) of subsection 4 of NRS 350.014 indicates that the proposal would result in a combined property tax rate in any of the overlapping entities within the county which exceeds the specified percentage, pursuant to subsection 1 of NRS 350.0155, of the limit provided in NRS 361.453:

- (1) The public need to be served by the proceeds from the proposed debt or tax levy in accordance with the priorities established pursuant to subsection 2 of NRS 350.0155; and*
 - (2) A comparison of that public need and other public needs that appear on the statements of current and contemplated general obligation debt and special elective taxes submitted pursuant to paragraphs (a) and (b) of subsection 1 of NRS 350.013 that may affect the combined property tax rate in any of the overlapping entities within the county.*
-

NRS requires local governments to file capital improvement plans, statements of current and contemplated debt, and debt management policies with the County Clerk. To the best of the City's knowledge, no capital improvement plans or debt management policies have been filed that identify any new voter-approved tax rates (overrides or bonds). The City has filed its required documents which include the projects to be funded by the Proposed Bonds. Local governments are required to submit a debt management policy and indebtedness report by August 1st of each year.

The City does not expect the issuance of the Proposed Bonds will result in an increase in the City's tax rate. Therefore, the issuance of the Proposed Bonds should not adversely impact overlapping entities in levying tax rates for bonds or overrides.

REQUIRED DOCUMENT SUBMISSION

Pursuant to NRS 350.013, the City has submitted the following documents to the Department of Taxation and the DMC:

- Statements of current and contemplated debt and retirement schedules,
- A written statement of the debt management policy of the City, and
- The City's Capital Improvement Plan, which includes the projects to be financed by the proceeds of the Proposed Bonds.

The City's Chief Financial Officer is:

Jeff Cronk
Chief Financial Officer
PO Box 857
Sparks, Nevada 89432-0857
(775) 353-2301

Summary - a resolution directing notice to the Washoe County Debt Management Commission of the Council's proposal to issue general obligation (limited tax) fire station bonds (additionally secured by pledged revenues) in an aggregate principal amount not to exceed \$15,000,000.

RESOLUTION NO. 3420

A RESOLUTION CONCERNING THE FINANCING OF FIRE PROTECTION AND/OR BUILDING PROJECTS FOR THE CITY; DIRECTING THE CITY CLERK TO NOTIFY THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION OF A PROPOSAL TO ISSUE GENERAL OBLIGATION (LIMITED TAX) FIRE STATION BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$15,000,000; PROVIDING CERTAIN DETAILS IN CONNECTION THEREWITH; AND PROVIDING THE EFFECTIVE DATE HEREOF.

WHEREAS, the City of Sparks in the State of Nevada (the "City" and "State," respectively) is a political subdivision of the State duly organized and operating as a city under the provisions of an act entitled "AN ACT incorporating the City of Sparks, in Washoe County, Nevada under a new charter, defining the boundaries thereof, and providing other matters properly relating thereto," cited as Chapter 470, Statutes of Nevada 1975, and all laws amendatory thereof (the "Charter"); and

WHEREAS, the Charter and Nevada Revised Statutes ("NRS") 268.672 to 268.740, inclusive (the "City Bond Law"), provide that the City may borrow money to finance all or a portion of the cost of acquiring, improving and equipping fire protection projects as defined in NRS 268.688 and/or building projects as defined in NRS 268.676, including, but not limited to, fire protection and fire-fighting facilities (collectively, the "Project") and for such purpose, may issue bonds or other securities pursuant to NRS Chapter 350 and all laws amendatory thereof, which includes the Local Government Securities Law, being NRS 350.500 through 350.720 (the "Bond Act"); and

WHEREAS, the City Council of the City (the "Council") proposes to issue, in one or more series, general obligation (limited tax) fire station bonds (additionally secured by pledged revenues) in an aggregate principal amount not to exceed \$15,000,000 (the "Bonds") in accordance

with the Charter, the City Bond Law and the Bond Act, for the purpose of financing the Project;
and

WHEREAS, based on the revenue study presented to the Council and attached hereto as Exhibit B, the Council hereby determines and makes a finding that the revenues to be received by the City from 15% of all income and revenue distributed to the City pursuant to NRS 360.680, 360.690 and 360.700 and pledged to secure the payment of the Bonds pursuant to NRS 360.698 (the “Pledged Revenues”) will at least equal the amount necessary in each year for the payment of interest on and principal of the Bonds, and no increase in the rate of an ad valorem tax is anticipated to be necessary for the payment of the Bonds for the term thereof (the “Finding”);
and

WHEREAS, the Council proposes (subject to the approval of the Finding and the proposal to issue the Bonds by the Washoe County Debt Management Commission), to issue pursuant to NRS 350.020(3) the Bonds described in the following proposal (the “Proposal”):

**GENERAL OBLIGATION (LIMITED TAX) FIRE STATION
BOND PROPOSAL:**

Shall the City Council of the City of Sparks, Nevada, be authorized to incur a general obligation indebtedness on behalf of the City by the issuance at one time, or from time to time, of the City’s general obligation (limited tax) fire station bonds (additionally secured by pledged revenues) in one series or more, in an aggregate principal amount not to exceed \$15,000,000, to defray wholly or in part the cost of acquiring, improving and equipping fire protection projects as defined in NRS 268.688 and/or building projects as defined in NRS 268.676, including, but not limited to, fire protection and fire-fighting facilities; such bonds to mature commencing not later than five years from the date or respective dates of the bonds and ending not later than twenty (20) years therefrom, to be payable from general (ad valorem) taxes, except to the extent pledged consolidated tax revenues received by the City are available therefor, such bonds to be issued and sold at, above, or below par at an effective interest rate (including any sale discount) not exceeding the statutory maximum rate, if any, as shall be determined at the time of the sale thereof, and otherwise to be issued in such manner, upon such terms and conditions, with such covenants and agreements, and with such detail as the Council may determine, including at its option but not necessarily limited to provisions for the redemption of bonds prior to maturity without

or with the payment of a premium?; and

WHEREAS, subsection 1 of NRS 350.014 provides, in relevant part, as follows:

“1. Before any proposal to incur a general obligation debt or levy a special elective tax may be submitted to the electors of a municipality. . ., or, before any other formal action may be taken preliminary to the incurrence of any general obligation debt, the proposed incurrence or levy must receive the favorable vote of two-thirds of the members of the commission of each county in which the municipality is situated.”

and

WHEREAS, subsection 1 of NRS 350.0145 provides, in relevant part, as follows:

“1. The governing body of the municipality proposing to incur general obligation debt . . . shall notify the secretary of each appropriate commission, and shall submit a statement of its proposal in sufficient number of copies for each member of the commission...”

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SPARKS, NEVADA:

Section 1. Based on the revenue study presented to the Council and attached hereto as Exhibit B, the Council hereby approves the Finding and requests the Washoe County Debt Management Commission (the “Commission”) to approve the Proposal and the Finding.

Section 2. All action, proceedings, matters and things heretofore taken, had and done by the Council, and the officers thereof (not inconsistent with the provisions of this resolution) directed toward the issuance of the Bonds set forth in the Proposal and the Project, be and the same hereby are, ratified, approved and confirmed.

Section 3. The Clerk is authorized and directed to notify immediately the Secretary of the Commission of the Proposal and the Finding, and to submit to the Commission Secretary a statement of the Proposal in sufficient number of copies for each member of the Commission. The Chief Financial Officer of the City is authorized to file the information required by NRS 350.013 to the extent required to comply with NRS 350.013 and consistent with the provisions of this resolution.

Section 4. The City hereby declares its intent to reimburse the costs of the Project out of the proceeds of the Bonds in the maximum principal amount of \$15,000,000. This is a declaration of official intent under Section 1.150-2 of the Regulations promulgated under the Internal Revenue Code of 1986, as amended.

Section 5. The Council hereby determines and declares that:

(a) The City intends to incur expenditures with respect to the Project prior to the incurrence of the Bonds and to reimburse those expenditures from the proceeds of the Bonds; and

(b) The payment of costs related to the Project and the reimbursement of such costs from the proceeds of the Bonds is consistent with the City's budgetary and financial circumstances as of the date of this Resolution. The City does not currently have moneys which are, nor does the City reasonably expect moneys to be, allocated on a long-term basis, reserved or otherwise available pursuant to the City's budget to pay the expenditures which the City intends to reimburse.

Section 6. All resolutions, or parts thereof, in conflict with the provisions of this resolution, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any resolution, or part thereof, heretofore repealed.

Section 7. If any section, paragraph, clause or other provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or other provision shall not affect any of the remaining provisions of this resolution.

Section 8. This resolution shall become effective and be in force immediately upon its adoption.

PASSED AND ADOPTED March 27, 2023.

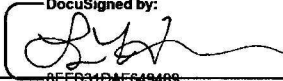
(SEAL)

Attest:



DocuSigned by:
Ed Lawson
3FF0422E72AA4D1...
Ed Lawson, Mayor

DocuSigned by:



8EE631DAF649408...

Lisa Hunderman, City Clerk

Approved as to form:

DocuSigned by:



G13B4B40D8AC4AC...

Wes Duncan, City Attorney

STATE OF NEVADA)
)
COUNTY OF WASHOE) ss.
)
CITY OF SPARKS)

I am the duly chosen and qualified City Clerk of the City of Sparks (the “City”), in the State of Nevada, do hereby certify:

1. The foregoing pages constitute a true, correct, complete and compared copy of a resolution adopted by the City Council (the “Council”) at a meeting held on March 27, 2023.
2. The adoption of the resolution was duly moved and seconded and the resolution was adopted by an affirmative vote of the members of Council as follows:

Those Voting Aye: Donald Abbott
Dian VanderWell
Paul Anderson
Charlene Bybee
Kristopher Dahir

Those Voting Nay: N/A

Those Absent: N/A

3. The original of the resolution has been approved and authenticated by the signatures of the Mayor of the City and myself as City Clerk and has been recorded in the regular official record of the Council kept for that purpose in my office, which record has been duly signed by the officers and properly sealed.

4. All members of the Council were given due and proper notice of the meeting. Pursuant to Nevada Revised Statutes (“NRS”) 241.020, written notice of the meeting was given not later than 9:00 a.m. on the third working days before the meeting in accordance with the provisions of NRS 241.020.

5. Upon request, the Council provides at no charge, at least one copy of the agenda for its public meetings, any proposed ordinance or regulation which will be discussed at the public meeting, and any other supporting materials provided to the Council for an item on the agenda, except for certain confidential materials and materials pertaining to closed meetings, as provided by law.

6. A copy of such notice so given of the meeting of the Council on March 27, 2023 is attached to this certificate as Exhibit A. The revenue study presented to the Council which is referenced in the resolution is attached hereto as Exhibit B.

IN WITNESS WHEREOF, I have hereunto set my hand on March 27, 2023.

DocuSigned by:

8EEB31DAF648408...

Lisa Hunderman, City Clerk

EXHIBIT A

(Attach Copy of Notice of Meeting)



Sparks City Council Meeting
Monday, March 27, 2023 2:00 PM
Legislative Bldg., 745 4th St., Sparks, NV

MAYOR
Ed Lawson

CITY COUNCIL
Donald Abbott, Ward 1
Dian VanderWell, Ward 2
Paul Anderson, Ward 3
Charlene Bybee, Ward 4
Kristopher Dahir, Ward 5

CITY MANAGER
Neil Krutz

CITY ATTORNEY
Wes Duncan

Public Meeting Notice — Meetings are open to the public and notice is given in accordance with NRS 241.020.

Posting — This agenda has been distributed for posting at the following locations three (3) working days before the meeting:

Sparks City Hall, 431 Prater Way

www.cityofsparks.us

<https://notice.nv.gov/>

Supporting Documentation — Supporting documents for this agenda are available on the city’s website at www.cityofsparks.us and will be available for review at the Council meeting. For further information you may contact the City Clerk at (775) 353-2350.

Order of Agenda — Items on the agenda may be taken out of order; the City Council may combine two or more agenda items for consideration; may remove an item from the agenda or may delay discussion relating to an item on the agenda at any time per NRS 241.020 (3)(d)(6) and (7).

Public Comment — Persons desiring to address the City Council shall first provide the City Clerk with a written request to speak so they may be recognized by the presiding officer. Each person addressing the City Council shall approach the podium when called, give his/her name, and shall limit the time of their presentation to **three (3) minutes** per NRS 241.020(3)(d)(3). Public comment may address any agenda item or other public issue that the City Council has the authority to effectuate or exercise control over. Public comment on matters beyond the Council’s scope of authority, not relevant to Council business, and that does not serve a governmental purpose, is not permitted. You may also submit public comment by emailing cityclerk@cityofsparks.us no later than 12:30 pm the day of the meeting. In the subject line of the email type “Public Comment City Council”. Emails received for public comment will be entered into record but not read aloud during the meeting.

Restrictions on Public Comments — All public comment remarks shall be addressed to the Council as a whole and not to any member thereof. No person, other than members of the City Council and the person having the floor shall be permitted to enter into any discussion. No questions shall be asked of the City Council except through the presiding officer.

Disruptive Conduct — Any person who disrupts a meeting to the extent that its orderly conduct is made impractical may be removed from the meeting by order of the presiding officer.

Accommodations — The meeting site is accessible to individuals with disabilities. Reasonable efforts to assist and accommodate persons with physical disabilities desiring to attend shall be made per NRS 241.020(1). Please call the City Clerk’s office (775) 353-2350 at least three (3) business days before the meeting to make arrangements.

If you have questions, you may find additional information at www.cityofsparks.us or call the City Clerk’s office at (775) 353-2350.

**Sparks City Council
Meeting Agenda
Monday, March 27, 2023 2:00 PM**

1. Call to Order

2. Roll Call

3. Opening Ceremonies

3.1. Invocation Speaker: Pastor Barb West, Sparks Church of Nazarene

3.2. Pledge of Allegiance

4. Public Comment

4.1. Public Comment. NRS 241.020(3)(d)(3) provides that the City Council must allow multiple periods devoted to public comments by the general public. No matters raised during public comment may be the subject of deliberation or action. Written comments from the public prior to the agenda and supporting materials for the meeting follow.

5. Agenda

5.1. Approval of the Agenda (For Possible Action)

6. Minutes

6.1. Consideration and possible approval of the minutes of the Sparks City Council Meeting for March 13, 2023 and the Sparks City Council Budget Workshop for February 27, 2023. (For Possible Action)

7. Announcements, Presentations, Recognition Items and Items of Special Interest

7.1. Presentation: 2023 United States Hispanic Leadership Institute National Conference

7.2. Administer the Oath of Office to the newly appointed Fire Chief Walt W. White.

7.3. Announcement: Parks and Recreation staff awards at the Nevada Recreation and Parks Society Annual Conference.

7.4. Acknowledgements of 2022 Hometowne Christmas Parade Winners and Grand Marshal

8. Consent Items

8.1. Consideration and possible acceptance of the report of the claims and bills approved for payment and appropriation transfers for the period of March 1, 2023, through March 14, 2023. (For Possible Action)

8.2. Consideration, discussion, and possible approval of a professional services contract (AC-5923) with Construction Materials Engineers, Inc. in the amount of \$59,520.00 for the 2023 Drainage and Roadway Improvement Project – 5th, 6th, 7th and G Streets. (For Possible Action)

9. **General Business**

- 9.1. Consideration, discussion, and possible approval of the Mayor's recommended appointments to the Sparks Police Advisory Committee from the following pool of applicants, listed in alphabetical order: Christine Garvey, Donald Lightfoot, Duane Matheus, Tristan McElhaney, and Geralynn Patellaro. (For Possible Action)
- 9.2. Consideration, discussion, and possible approval of the Building Official's appointment to the Building Code Board of Appeals from the following pool of applicants, listed in alphabetical order: Mark DeWeese, Donald Mackey, Amy MacQuarrie. (For Possible Action)
- 9.3. Consideration, discussion, and possible approval to submit an application for a United States Department of Energy Decarbonization of Water Resource Recovery Facilities grant to fund research for hydrothermal carbonization of biosolids at the Truckee Meadows Water Reclamation Facility in the amount of \$2.5 million, with a required not-to-exceed match of \$246,093, with City of Sparks's share not to exceed \$92,753. (For Possible Action)
- 9.4. Consideration, discussion, and possible approval of a contract (AC-5922) with Action Lawn and Landscape LLC for the Landscape Maintenance-Maintenance Districts, Bid No. 22/23-026, for an initial two-year term from April 1, 2023 to March 31, 2025 at a cost not-to-exceed \$235,961.56, and three mutually agreeable annual extensions at a not-to-exceed cost per year of \$117,980.78 for the period from April 1, 2025 to March 31, 2028. (For Possible Action)
- 9.5. Consideration, discussion, and possible approval of Resolution No. 3420 directing notice to the Washoe County Debt Management Commission of the City Council's proposal to issue general obligation (limited tax) fire station bonds (additionally secured by pledged revenues) in an aggregate principal amount not to exceed \$15,000,000. (For Possible Action)
- 9.6. Consideration, discussion, and possible direction to the City Manager to initiate changes to Sparks Municipal Code Titles 2 - Administration and Personnel, 7 - Health and Welfare, and 20 - Zoning Code, and any other applicable sections, to clarify the process for appealing decisions of the Administrative Hearing Officer for code violations relating to nuisances and land use. (For Possible Action)
- 9.7. Consideration, discussion, and possible direction to the City Manager to present the City Council the opportunity to act as the appellate body for a decision of the Administrative Hearing Officer concerning a code violation at 501 Pyramid Way, Code Enforcement Case #SCMP22-00766501. (For Possible Action)

10. **Public Hearing and Action Items Unrelated to Planning and Zoning**

11. **Planning and Zoning Public Hearings and Action Items**

- 11.1. Second Reading, public hearing, consideration, discussion and possible adoption of Bill No. 2808, an ordinance approving a development agreement with The Chalets LLC regarding real property located at 3550 and 3650 Wedekind Road in Sparks, Nevada (APNs 026-341-13, 026-341-51, and 026-341-55), agreeing pursuant to NRS 278.360 to provide The Chalets LLC an additional four years to present a final map to City Council. (For Possible Action) (For Possible Action)

12. **Comments**

- 12.1. Comments from the Public

Public Comment. NRS 241.020(3)(d)(3) provides that the City Council must allow multiple periods devoted to public comments by the general public. No matters raised

during public comment may be the subject of deliberation or action. Written comments from the public prior to the agenda and supporting materials for the meeting follow.

12.2. Announcements from the Mayor, City Council and City Manager

13. **Adjournment**

EXHIBIT B

(Attach Copy of Revenue Study)

**City of Sparks, Nevada
GO/Revenue C-Tax Bonds, Series 2023 (Fire Station Project)**

Debt Service Coverage

| Fiscal Year | Projected C-Tax 1/ | Pledged Revenues (15%) | Senior Lien Debt Service | Senior Lien Coverage | Proposed Bonds | | | Combined Debt Service | Coverage |
|-------------|--------------------|------------------------|--------------------------|----------------------|----------------|-------------|--------------|-----------------------|----------|
| | | | | | Principal | Interest 2/ | Debt Service | | |
| 2023 | 39,700,000 | 5,955,000 | 1,036,594 | 5.74 | | | 0 | 1,036,594 | 5.74 |
| 2024 | 39,700,000 | 5,955,000 | 1,034,228 | 5.76 | 0 | 550,000 | 550,000 | 1,584,228 | 3.76 |
| 2025 | 39,700,000 | 5,955,000 | 1,034,058 | 5.76 | 0 | 825,000 | 825,000 | 1,859,058 | 3.20 |
| 2026 | 39,700,000 | 5,955,000 | 1,033,993 | 5.76 | 0 | 825,000 | 825,000 | 1,858,993 | 3.20 |
| 2027 | 39,700,000 | 5,955,000 | | | 555,000 | 825,000 | 1,380,000 | 1,380,000 | 4.32 |
| 2028 | 39,700,000 | 5,955,000 | | | 585,000 | 794,475 | 1,379,475 | 1,379,475 | 4.32 |
| 2029 | 39,700,000 | 5,955,000 | | | 620,000 | 762,300 | 1,382,300 | 1,382,300 | 4.31 |
| 2030 | 39,700,000 | 5,955,000 | | | 650,000 | 728,200 | 1,378,200 | 1,378,200 | 4.32 |
| 2031 | 39,700,000 | 5,955,000 | | | 690,000 | 692,450 | 1,382,450 | 1,382,450 | 4.31 |
| 2032 | 39,700,000 | 5,955,000 | | | 725,000 | 654,500 | 1,379,500 | 1,379,500 | 4.32 |
| 2033 | 39,700,000 | 5,955,000 | | | 765,000 | 614,625 | 1,379,625 | 1,379,625 | 4.32 |
| 2034 | 39,700,000 | 5,955,000 | | | 810,000 | 572,550 | 1,382,550 | 1,382,550 | 4.31 |
| 2035 | 39,700,000 | 5,955,000 | | | 855,000 | 528,000 | 1,383,000 | 1,383,000 | 4.31 |
| 2036 | 39,700,000 | 5,955,000 | | | 900,000 | 480,975 | 1,380,975 | 1,380,975 | 4.31 |
| 2037 | 39,700,000 | 5,955,000 | | | 950,000 | 431,475 | 1,381,475 | 1,381,475 | 4.31 |
| 2038 | 39,700,000 | 5,955,000 | | | 1,000,000 | 379,225 | 1,379,225 | 1,379,225 | 4.32 |
| 2039 | 39,700,000 | 5,955,000 | | | 1,055,000 | 324,225 | 1,379,225 | 1,379,225 | 4.32 |
| 2040 | 39,700,000 | 5,955,000 | | | 1,115,000 | 266,200 | 1,381,200 | 1,381,200 | 4.31 |
| 2041 | 39,700,000 | 5,955,000 | | | 1,175,000 | 204,875 | 1,379,875 | 1,379,875 | 4.32 |
| 2042 | 39,700,000 | 5,955,000 | | | 1,240,000 | 140,250 | 1,380,250 | 1,380,250 | 4.31 |
| 2043 | 39,700,000 | 5,955,000 | | | 1,310,000 | 72,050 | 1,382,050 | 1,382,050 | 4.31 |
| | | | 4,138,873 | | 15,000,000 | 10,671,375 | 25,671,375 | | |

1/ Estimated FY23 revenues with no further growth.

2/ Interest estimated at 5.50%

RESOLUTION

A RESOLUTION CONCERNING THE SUBMISSION TO THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION OF A PROPOSAL BY THE CITY OF SPARKS, NEVADA TO ISSUE GENERAL OBLIGATION (LIMITED TAX) FIRE STATION BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$15,000,000 FOR FIRE PROTECTION AND/OR BUILDING PROJECTS; CONCERNING ACTION TAKEN THEREON BY THE COMMISSION; AND APPROVING CERTAIN DETAILS IN CONNECTION THEREWITH.

WHEREAS, pursuant to Nevada Revised Statutes (“NRS”) 350.011 through 350.0165, the City of Sparks, Nevada (the “City”), notified the secretary of the Debt Management Commission of Washoe County (the “Secretary” and the “Commission,” respectively) of the City’s proposal to issue general obligation (limited tax) fire station bonds (additionally secured by pledged revenues) and submitted a statement of the City’s proposal in sufficient number of copies for each member of the Commission; and

WHEREAS, the City Council (the “Council”) of the City proposes to issue general obligation (limited tax) fire station bonds (additionally secured by pledged revenues) in an aggregate principal amount not to exceed \$15,000,000 (the “Bonds”), for the purpose of financing the cost to acquire, improve and equip fire protection projects as defined in NRS 268.688 and/or building projects as defined in NRS 268.676, including, but not limited to, fire protection and fire-fighting facilities (the “Project”) in accordance with NRS 268.672 to 268.740, inclusive, and NRS Chapter 350 and all laws amendatory thereof, which includes the Local Government Securities Law, being NRS 350.500 through 350.720; and

WHEREAS, the Council has determined and found that the revenues to be received by the City from 15% of all income and revenue distributed to the City pursuant to NRS 360.680, 360.690 and 360.700 and pledged to secure the payment of the Bonds pursuant to NRS 360.698 (the “Pledged Revenues”) will at least equal the amount necessary in each year for the payment of interest on and principal of the Bonds described in the Proposal (as defined below), and no increase in the rate of an ad valorem tax is anticipated to be necessary for the payment of the Bonds for the term thereof (the “Finding”); and

WHEREAS, the Council proposes (subject to the approval of the Finding and the proposal to issue the Bonds by the Commission) to issue pursuant to NRS 350.020(3) the Bonds described in the following proposal (the “Proposal”):

GENERAL OBLIGATION (LIMITED TAX) FIRE STATION BOND PROPOSAL:

Shall the City Council of the City of Sparks, Nevada, be authorized to incur a general obligation indebtedness on behalf of the City by the issuance at one time, or from time to time, of the City’s general obligation (limited tax) fire station bonds (additionally secured by pledged revenues) in one series or more, in an aggregate principal amount not to exceed \$15,000,000, to defray wholly or in part the cost of acquiring, improving and equipping fire protection projects as defined in NRS 268.688 and/or building projects as defined in NRS 268.676, including, but not limited to, fire protection and fire-fighting facilities; such bonds to mature commencing not later than five years from the date or respective dates of the bonds and ending not later than twenty (20) years therefrom, to be payable from general (ad valorem) taxes, except to the extent pledged consolidated tax revenues received by the City are available therefor, such bonds to be issued and sold at, above, or below par at an effective interest rate (including any sale discount) not exceeding the statutory maximum rate, if any, as shall be determined at the time of the sale thereof, and otherwise to be issued in such manner, upon such terms and conditions, with such covenants and agreements, and with such detail as the Council may determine, including at its option but not necessarily limited to provisions for the redemption of bonds prior to maturity without or with the payment of a premium?;

WHEREAS, pursuant to NRS 350.0145, the Secretary, with the approval of the Chair of the Commission, thereupon, within ten days from the receipt of the Proposal, gave notice of a meeting to be held not more than twenty days thereafter, and provided a copy of the Proposal to each member of the Commission with the notice of the meeting; and

WHEREAS, the Commission has heard anyone desiring to be heard and has taken other evidence relevant to its approving or disapproving the Proposal and the Finding; and

WHEREAS, the Commission has considered all matters in the premises.

NOW, THEREFORE, BE IT RESOLVED BY THE DEBT MANAGEMENT COMMISSION OF WASHOE COUNTY, NEVADA:

Section 1. This resolution shall be known as the “2023 City of Sparks General Obligation Fire Station Bond DMC Resolution.”

Section 2. The provisions of NRS 350.011 to 350.0165 have been met, and, therefore, the Proposal and the Finding related thereto hereby are approved.

Section 3. The Commission and the officers thereof hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution.

Section 4. All bylaws, orders, resolutions or parts thereof in conflict with this resolution are hereby repealed. This repealer shall not be construed to revive any bylaw, order, resolution or part thereof heretofore repealed.

Section 5. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of the section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 6. This resolution shall become effective and be in force immediately upon its adoption.

ADOPTED on April 14, 2023.

Chair
Debt Management Commission

Attest:

County Clerk, ex officio Secretary
Debt Management Commission

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

I am the duly chosen, qualified and acting Secretary of the Washoe County Debt Management Commission, in the State of Nevada, do hereby certify:

1. The foregoing pages constitute a true, correct and compared copy of a resolution adopted by the Debt Management Commission of Washoe County, Nevada (the "Commission") adopted at a meeting of the Commission held on April 14, 2023, and the original of such resolution has been approved and authenticated by the signature of the Chair of the Commission and myself as Secretary, and has been recorded in the minutes of the Commission kept for that purpose in my office, which record has been duly signed by such officers and properly sealed.

2. The members of the Commission were present at such meeting and voted on the passage of such resolution as follows:

Those Voting Aye:

Those Voting Nay:

Absent:

3. All members of the Commission were given due and proper notice of such meeting.

4. Public notice of such meeting was given and such meeting was held and conducted in full compliance with the provisions of NRS 241.020. A copy of the notice of meeting (attached as Exhibit A) was posted no later than 9:00 a.m. on the third working day prior to the meeting in compliance with the provisions of NRS 241.020.

IN WITNESS WHEREOF, I have hereunto set my hand on April 14, 2023.

County Clerk, ex officio Secretary
Debt Management Commission

Exhibit A

(Attach Copy of Notice of Meeting)