

SPARKS REDEVELOPMENT AGENCY MEETING MINUTES
Following the City Council Meeting on Monday, May 9, 2011
City Council Chambers, Legislative Building, 745 Fourth Street, Sparks, Nevada

1. *Call to Order (Time: 4:22:43 p.m.)

The regular meeting of the Sparks Redevelopment Agency was called to order by Chairman Ron Smith at 4:22 p.m.

2. *Roll Call (Time: 4:22:48 p.m.)

Chairman Ron Smith, Acting Agency Secretary Carrie Brooks, Agency Members Julia Ratti, Ed Lawson, Geno Martini, Mike Carrigan, Ron Schmitt, Chief Administrative Officer Shaun Carey, Acting Agency Attorney Shirle Eiting, PRESENT. Agency Secretary Linda Patterson, Agency Attorney Chet Adams, ABSENT.

Staff Present: Steve Keefer, Andy Flock, Armando Ornelas, Steve Driscoll, Neil Krutz, Jeff Cronk, Chris Cobb and Joe Grogan.

***Public Comment** (Time: 4:23:13 p.m.)

None.

Approval of the Agenda (Time: 4:23:20 p.m.)

Consideration of taking items out of sequence, deleting items and adding items which require action upon a finding that an emergency exists.

A motion was made by Agency Member Martini, seconded by Agency Member Carrigan, to approve the agenda as posted. Agency Members Ratti, Lawson, Martini, Smith, Carrigan, Schmitt, YES. Motion carried.

3. Recommendation to Approve Minutes of:

The Regular Redevelopment Agency Meeting of April 25, 2011 (Time: 4:23:27 p.m.)

A motion was made by Agency Member Martini, seconded by Agency Member Ratti, to approve the minutes of the Redevelopment Agency Meeting of April 25, 2011. Agency Members Ratti, Lawson, Martini, Smith, Carrigan, Schmitt, YES. Motion carried.

4. Consideration and possible approval of the portion of the City of Sparks Five Year Capital Improvement Plan (CIP) for Fiscal Years 2011/2012 through 2015/2016, beginning July 1, 2011, for Redevelopment Areas 1 and 2 (CONTINUED FROM THE MEETING OF 4/25/11) (Time: 4:23:51 p.m.)

Capital Projects Manager Chris Cobb noted that at this time there are no projects proposed using redevelopment funds for the next two fiscal years. However, if there is a change in economic conditions and funding improves, staff will come back to the Agency to add projects on a priority/benefit basis.

A motion was made by Agency Member Ratti, seconded by Agency Member Lawson, to approve the Capital Improvement Plan (CIP) for Fiscal Years 2011/2012 through 2015/2016, beginning July 1, 2011, for Redevelopment Areas 1 and 2. Agency Members Ratti, Lawson,

Redevelopment Agency Meeting Minutes for May 9, 2011

Martini, Smith, Carrigan, Schmitt, YES. Motion carried.

5. Consideration and possible approval of the Chief Administrative Officer's budget recommendations for the City of Sparks Redevelopment Agency's, Districts 1 and 2, Final Budget for Fiscal Year 2011-2012 (Time: 4:25:06 p.m.)

Chief Financial Officer Jeff Cronk noted that there will be a public hearing on the tentative budget on May 17, 2011, at which time the Agency will be asked to approve the final budget. Mr. Conk gave an overview of Area 1 as follows:

Redevelopment Agency - Fiscal Year 2012 Budget Recommendations - May 9, 2011

Redevelopment Area #1FY '12 Revenues & Fund Balance

- Property Taxes are expected to decline by 17.5% from FY '11. This is due to a decrease in the assessed values.
- Motor Vehicle Privilege Taxes set by statute at \$177,572 annually – no change expected.
- FY '12 Ending Fund Balance is expected to equal approximately \$3.4M, most of which (\$2.2M) is restricted for debt service.

Area #1 FY '12 Expenditures, excluding Debt Service

- Total expenditures decreasing by 24.6%.
- Capital Outlay decreasing by 100% due to declining fund balances. Staff has received board direction to take a conservative approach and delay capital projects.
- Common Service Charges decreasing by 5.5% – to \$331,716.
- Inter-fund Services Provided decreasing by 5.2% – to \$47,301.
- Net Special Events expenditures decreasing by 35.0%.

Area #1 FY '12 Debt Service

- FY '12 debt service is \$2,289,281 for the 2010 debt issuance, which matures in 2023, an increase of \$4,144 from FY'11
- Aid to Other Governments/Transfers-Out of \$311,933 are the Agency's portion of debt service for bonds issued by the City in 2007. The transfer is increasing .2%, an increase of \$485

Area #1 Debt Obligations

2010 Tax Increment Refunding Bonds	
Original Issue Amount	\$22,165,000
Maturity Date	1/15/2023
Interest Rate	4.00% - 5.375%
FY '11 Debt Service	\$2,285,137
FY '12 Debt Service	\$2,289,281
6/30/2012 Expected Principal Balance	\$19,210,000

Area #1 Unreserved Ending Fund Balance

- FY '11 - \$1,459,983

- FY '12 - \$1,220,692

Redevelopment Area #2 FY'12 Revenues & Fund Balance

- New development within Area #2 sufficiently offset valuation declines so that FY '12 Property Taxes are expected to increase 3.9% over FY '11.
- No bond issuances are expected in FY '12.
- FY'12 Ending Fund Balance is expected to decrease by approximately \$1.0M or 26.8% to \$2.9M, most of which (\$2M) is restricted for debt service.

Area #2 FY'12 Expenditures, excluding Debt Service

- Total expenditures are decreasing by 7.1%.
- There was not any Capital Outlay in FY'11 and none is planned for FY'12.
- Common Service Charges are decreasing by 34.1% – to \$194,007.
- Inter-fund Services provided are decreasing by 7.2% – to \$32,249.

Area #2 FY'12 Debt Service

- FY '12 Debt Service expected to increase by approximately \$106K from FY '11
- Aid to Other Governments/Transfers-Out of \$1,072,494 are the Agency's portion of debt service for bonds issued by the City in 2007. The transfer is expected to increase by .2%, or \$2,000

Area #2 Debt Obligations

	2008 Tax Increment Bonds	2009 Tax Increment Bonds
Original Issue Amount	\$12,700,000	\$7,230,000
Issue Date	7/30/2008	11/24/2009
Maturity Date	6/01/2028	6/01/2029
Interest Rates	6.4% - 6.7%	5.0% - 7.75%
FY '11 Debt Service	\$1,230,060	\$689,938
FY '12 Debt Service	\$1,229,780	\$796,438
6/30/12 Expected Principal Balance	\$11,885,000	\$6,775,000

Area #2 Unreserved Ending Fund Balance

- FY '11 - \$1,153,729
- FY '12 - \$115,055
 - The board has taken action to hold \$800k of the unreserved ending fund balance for future debt service.

Chief Administrative Office Shaun Carey asked if there would be any opportunities in the coming year to look at refinancing any of our redevelopment debt. Mr. Cronk responded it is still not looking real good for refunding. The bond market has improved, but not to the point that our current bonds could be refunded. He stated that staff continues to monitor the bond market and if an opportunity presents itself, staff will “jump” on it.

A motion was made by Agency Member Martini, seconded by Agency Member Ratti, to approve the Chief Administrative Officer's budget recommendations for the City of Sparks

Redevelopment Agency Meeting Minutes for May 9, 2011

Redevelopment Agency's, Districts 1 and 2, Final Budget for Fiscal Year 2011-2012. Agency Members Ratti, Lawson, Martini, Smith, Carrigan, Schmitt, YES. Motion carried.

6. Comments from the Agency and Chief Administrative Officer (Time: 4:32:02 p.m.)
None.

7. *Adjournment (Time: 4:32:07 p.m.)
There being no further business, the meeting was adjourned at 4:32 p.m.

Chairman

Agency Secretary

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