

On May 23, 2022, the City adopted the FY23 budgets for the City of Sparks and the Redevelopment Agency totaling \$245M across all Fund types. These budgets are developed by the City Manager and the Financial Services Department after gathering input from City departments with final direction and approval coming from the City Council and Redevelopment

\*Includes Capital Outlay and Contingency; excludes Transfers-Out and Proprietary Fund Principal

Agency. A more detailed version can be found on the City of Sparks website at <https://cityofsparks.us/reports/budget/>.

**The Budget Process** at the City of Sparks is driven by a set of 6 Fiscal Policies. The chart below provides a summary of how the FY23 Budget complies with those policies.

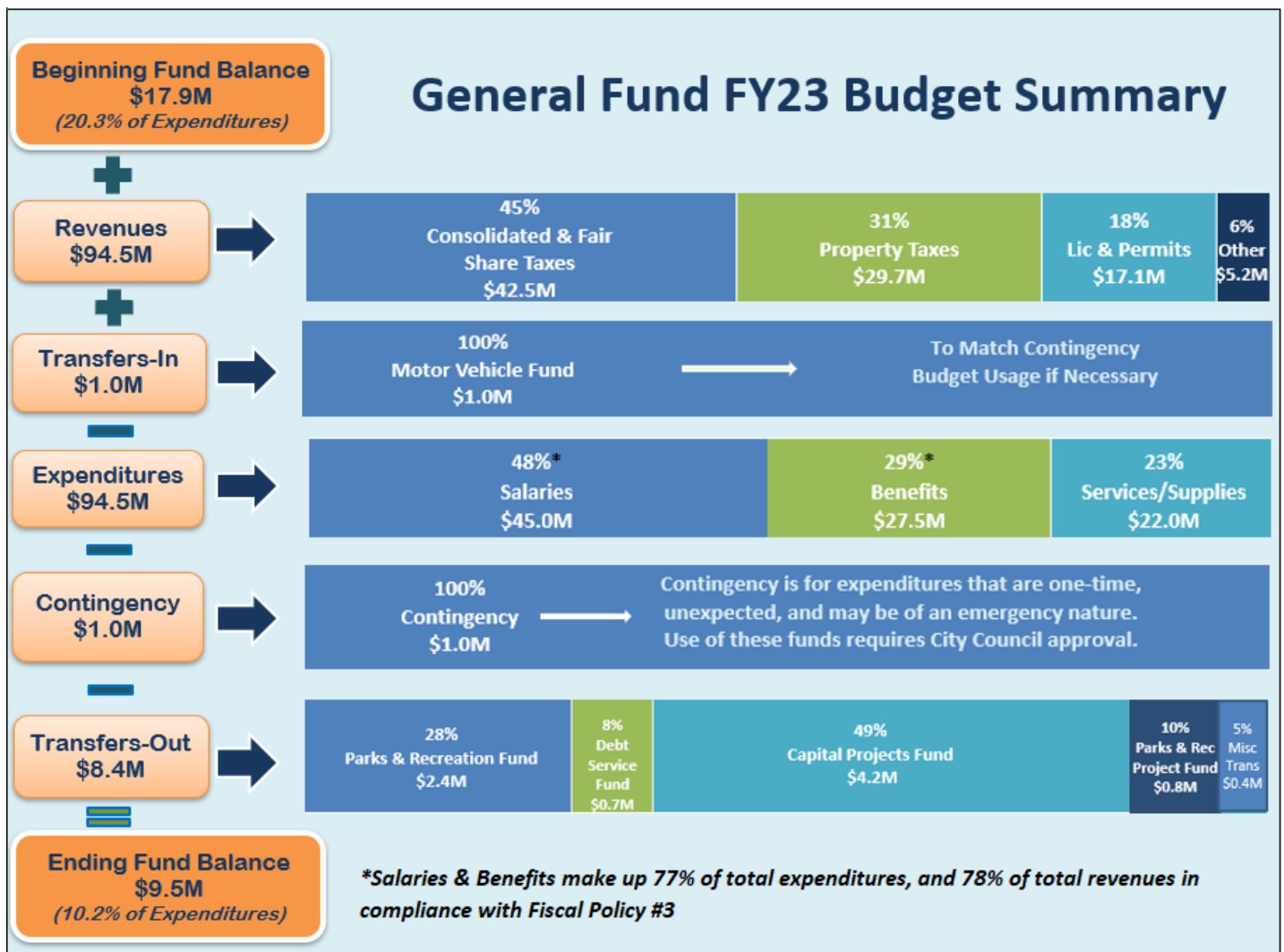
FISCAL POLICIES - FY23 Budget				
		Target	Result	Status
1	General Fund Ending Fund Balance	8.3%	10.2%	✔
2	General Fund Contingency Budgeted	\$1,000,000	\$1,000,000	✔
3	Capital Projects Funding Target is 2.5% of Revenues (\$2.3M) plus full funding of IT Hardware (\$627K) and Software (\$1.513K) Replacement Plans	\$4,439,980	\$4,159,980	⚠
4	Stabilization Fund Commitment	\$250,000	\$250,000	✔
5	General Fund Personnel Costs <78% of Total Revenues	<78%	76.7%	✔
6	Long-term Employee Benefit Funding	Pay-As-You-Go	Pay-As-You-Go	✔

**Legend**  
 ✔ Achieved goal    ⚠ Fell slightly short of goal    ✖ Did not achieve goal

**Revenue Sources** that the City of Sparks receives comes mainly from property and sales taxes, business licenses as well as from user fees for sewer service, recreation fees and building permits. Internal Service Funds receive user fees from departments within the City as opposed to collecting them from citizens.

This City also receives money from grants and donations. We actively search for federal and state funding to help provide additional services to our citizens.

**The General Fund** is the primary operating Fund used by the City of Sparks to account for services provided to the citizens of Sparks such as police, fire, street maintenance, planning, zoning, and park maintenance. It is also used to account for the central administrative services that support those public services such as finance, accounting, information technology, human resources, and legal.



## **FY23 New Needs**

The City Manager recommended, and the Sparks City Council approved, \$5.6M in new needs for the City (General Fund \$3.4M and All Other Funds \$2.2M). The biggest impact will be 34 budgeted positions added to the complement, the largest staffing additions since the great recession. In FY23 the General Fund will get 18.1 new positions spread across the City (Human Resources (1), Management Services (1), City Attorney (1), Financial Services (1), Sparks Police Department (3 Police Officers and 3 support staff), Sparks Fire Department (3 Firefighter Paramedics and 2 support staff) and Community Services (3.1)). Across the City in all other Funds 16.9 positions were added (Parks and Recreation (2), Capital Improvement (5.3), Sewer Funds (1.6), Motor Vehicle (2) Development Services (1) and Sewer Treatment Plant (4)).

Additionally, the City approved Human Resource virtual proctoring services, billing lockbox service, litigation data analysis and budget software, street sweeper software, wage study for Sparks Municipal Court, security improvements at Horsemen Park, 12 new vehicles, and additional equipment.

## **The American Rescue Plan Act (ARPA)**

ARPA became law on March 11, 2021. The Act is designed to provide approximately \$1.9T of economic stimulus and financial relief for millions of Americans in response to the COVID-19 pandemic. Included in ARPA is \$65.1B that is intended to provide financial assistance directly to metropolitan cities and allocated accordingly to the 1974 CDBG funding model. Of these funds, a total of \$16,230,272 was received by the City of Sparks directly from the Federal Department of Treasury, which are required to be obligated by December 31, 2024 and spent by December 31, 2026.

Sparks City Council approved a conceptional plan to use ARPA funds including small business relief, Shot Spotter system and a police training simulator for Sparks Police Department, additional capital support for the Nevada Cares Campus, Northern Nevada HOPES proposal on East 4<sup>th</sup> Street, and other local household support. Once projects are approved for spending by City Council, staff will prepare appropriate FY23 budget augmentations.