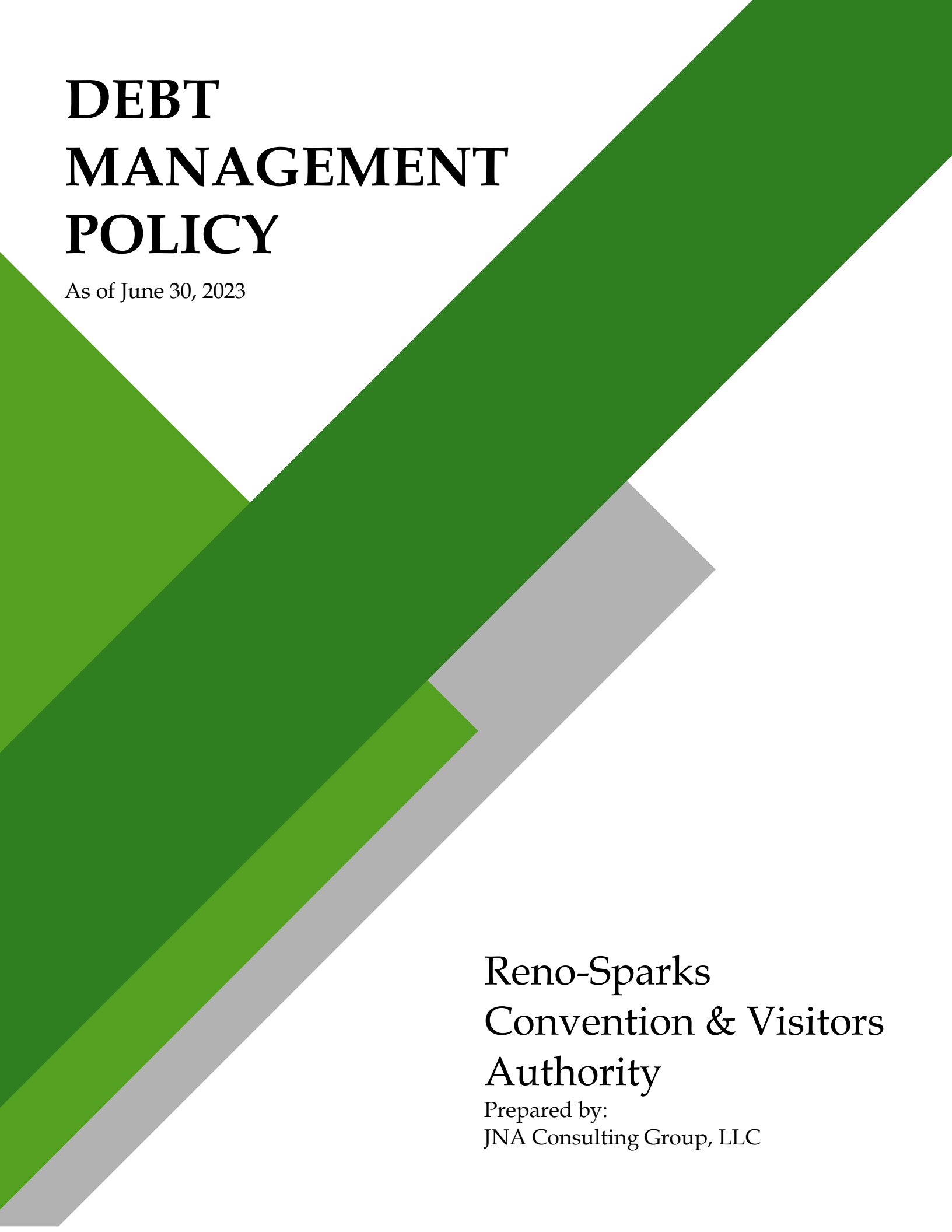




DEBT MANAGEMENT POLICY

As of June 30, 2023

Reno-Sparks
Convention & Visitors
Authority

Prepared by:
JNA Consulting Group, LLC



EXECUTIVE SUMMARY

This Debt Management Policy was created to fulfill the requirements of NRS. The Reno-Sparks Convention & Visitors Authority (the "Authority" or "RSCVA") is generally limited in the bonds it can issue by its statutory debt limit and the amount of revenue available to pay debt service on bonds. This policy discusses the outstanding and proposed debt of the Authority, its ability to afford such debt and other items relating to the issuance of bonds by the Authority.

As of June 30, 2023, the Authority has \$60,810,000 of general obligation revenue supported debt outstanding. The Authority's debt is paid from room tax and convention, recreation, and facility revenues received by the Authority. The Authority currently has no authorization to issue additional bonds. The Authority presently has approximately \$608,100,229 of statutory debt capacity available.

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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.

General Obligation Bond Indebtedness

The Authority's general obligation bonds are issued pursuant to NRS 244A.597 through 244A.655 and NRS 350.500 through 350.720 and are issued by Washoe County (the "County") on behalf of and in the name of the Authority. The Authority's general obligation bonds constitute direct and general obligations of the County, and the full faith and credit of the County is pledged to the payment of principal and interest, subject to Nevada constitutional and statutory limitations on the aggregate amount of property taxes.

The general obligation bonds are payable by the County from any source legally available at the times such payments are due including the General Fund of the County. In the event, however, that such legally available sources of funds (including net pledged revenues) are insufficient, the County is obligated to levy a general (property) tax on all taxable property within the County for payment of the general obligation bonds, subject to the limitations provided in the constitution and statutes of the State of Nevada (the "State").

In any year in which the total property taxes levied within the County by all applicable taxing units (e.g., the State, the County, the school district, any city, or any special district) exceed such property tax limitations, the reduction to be made by those units must be in property taxes levied for purposes other than the payment of their bonded indebtedness, including interest on such indebtedness.

Nevada statutes provide that no act concerning the Authority's bonds, or their security may be repealed, amended, or modified in such a manner as to impair adversely the bonds or their security until all of the bonds have been discharged in full or provision for their payment and reception has been fully made.

General Obligation Bonds

The Authority currently has no outstanding general obligation debt paid by the levy of a specific property tax. Principal and interest on the Authority's debt are payable from the various pledged revenues of the Authority. There is no impact on the property tax rate so long as net pledged revenues are sufficient to pay debt service.

Outstanding, Authorized, and Proposed General Obligation Debt

As of June 30, 2023, the Authority has \$60,810,000 of general obligation debt outstanding. The Authority does not currently have any unissued authorization and does not expect to issue any additional debt this fiscal year. However, the Authority reserves the privilege of issuing bonds or other securities at any time legal requirements are satisfied.

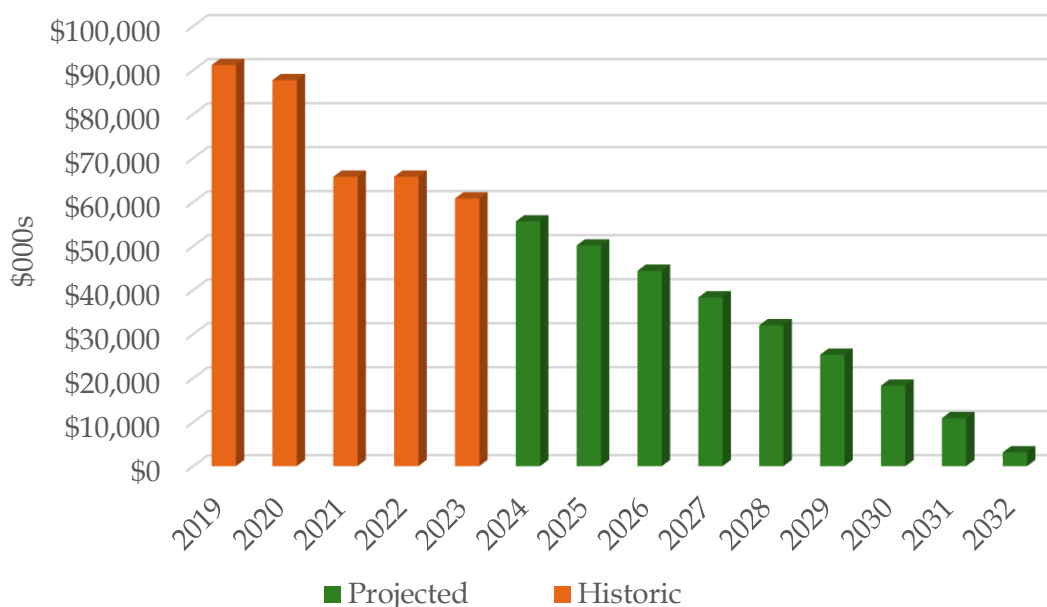
The following table lists the outstanding general obligation bonds and other debt of the Authority.

Outstanding General Obligation Debt June 30, 2023

Issue	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
GENERAL OBLIGATION REVENUE SUPPORTED BONDS				
Convention Center Refunding Bonds, Series 2021A	04/06/21	07/01/32	\$65,760,000	<u>\$60,810,000</u>
TOTAL GENERAL OBLIGATION REVENUE SUPPORTED DEBT				\$60,810,000

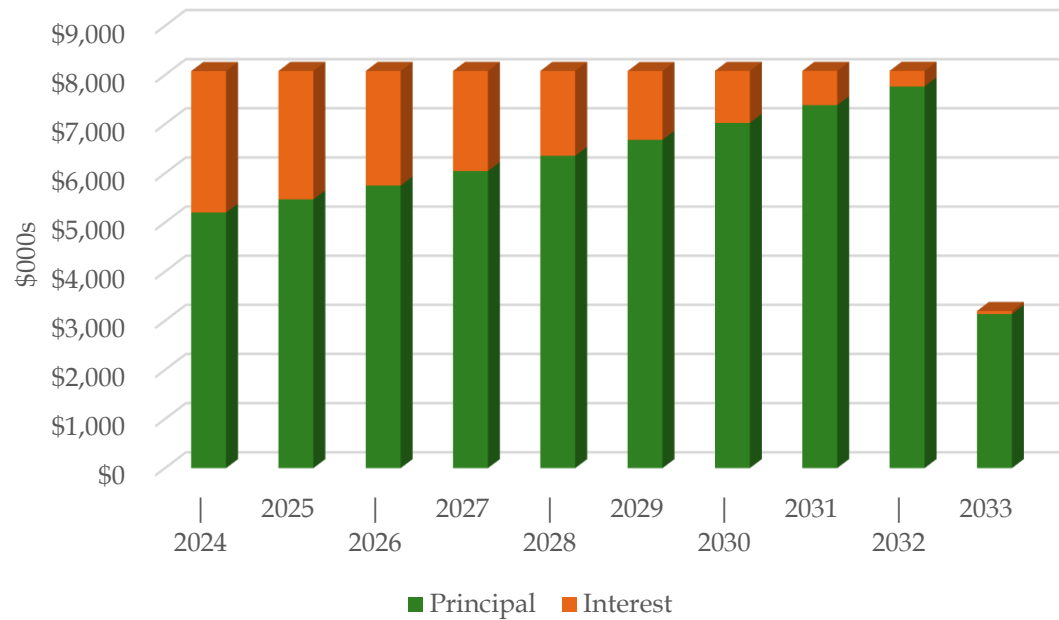
SOURCE: RSCVA

Outstanding Debt Chart



The chart below depicts the combined debt service requirements to maturity of the Authority’s outstanding debt.

Debt Service Requirements Chart



The following sections demonstrate the ability of the Authority to make principal and interest payments on the outstanding bonds.

General Obligation Bonds Supported by Pledged Revenues

General Obligation Bonds Supported by Pledged State Revenues and Facilities Pledged Revenues (the "Convention Center Bonds") are additionally secured by a pledge of the Pledged Revenues of the Authority, which consist of the Pledged State Revenues and the Facilities Pledged Revenues. Pledged State Revenues include the proceeds of a 2 percent license tax imposed upon the rental of transient lodging within the County.

The following tables list the outstanding Convention Center Bonds.

General Obligation Bonds Supported by Pledged Revenues

June 30, 2023

Issue	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
<u>GENERAL OBLIGATION REVENUE SUPPORTED BONDS</u>				
Convention Center Refunding Bonds, Series 2021A	04/06/2021	07/01/2032	\$65,760,000	<u>\$60,810,000</u>
TOTAL GENERAL OBLIGATION REVENUE SUPPORTED DEBT				\$60,810,000

SOURCE: RSCVA

The following table illustrates the debt service to maturity on the Authority's Refunding Bonds.

Facilities & Convention Center Refunding Bonds Outstanding Debt Service

June 30, 2023

FY Ending June 30	Principal	Interest	Total
2024	\$ 5,200,000	\$ 2,879,150	\$ 8,079,150
2025	5,470,000	2,612,400	8,082,400
2026	5,750,000	2,331,900	8,081,900
2027	6,045,000	2,037,025	8,082,025
2028	6,355,000	1,727,025	8,082,025
2029	6,680,000	1,401,150	8,081,150
2030	7,025,000	1,058,525	8,083,525
2031	7,385,000	698,275	8,083,275
2032	7,765,000	319,525	8,084,525
2033	<u>3,135,000</u>	<u>62,700</u>	<u>3,197,700</u>
TOTAL	\$ 60,810,000	\$ 15,127,675	\$ 75,937,675

SOURCE: RSCVA

The following table presents the Authority's pledged revenues and demonstrates the Authority's ability to repay its Convention Center Bonds.

Pledged Revenues and Debt Service Coverage

	2022 Audited	2023 Estimated	2024 Budgeted
Net General Room License Taxes ¹	\$27,424,811	\$31,690,333	\$27,390,925
Convention Center Taxes ²	9,141,604	9,566,893	9,103,308
Other Income ³	<u>6,936,132</u>	<u>11,623,115</u>	<u>11,218,423</u>
Subtotal	\$43,502,547	\$52,880,341	\$47,712,656
Less: Operating & Maintenance Expenses ⁴	<u>(14,608,086)</u>	<u>(18,816,703)</u>	<u>(21,498,728)</u>
Net Pledged Revenues	\$28,894,461	\$34,063,638	\$26,213,928
Combined Debt Service	\$2,397,256	\$8,082,900	\$8,079,150
Coverage ^{5,6}	12.05	4.21	3.24

¹ Pledged Room License Taxes levied at a rate of 6%, net of Collection Allowance. Does not include other Room Taxes collected by the Authority.

² Proceeds of 2% Convention Center (State License) Tax.

³ Includes RSCC, RSLEC, REC, special events, golf course, and interest revenues.

⁴ Includes General Government Expenditures, Community Support-Facilities Operations Expenditures (excluding National Bowling Stadium/Reno Events Center), and certain community supported convention and tourism promotion expenditures. Community supported convention and tourism promotion expenditures relating to promotion and advertising have been excluded.

⁵ Net pledged revenues divided by combined maximum annual debt service on pledged revenue bonds.

⁶ The Convention Center Bonds may be paid from any legally available resource of the Authority. The Authority expects that pledged revenues and legally available funds will be sufficient to pay debt service on the Convention Center Bonds.

SOURCE: RSCVA

The Convention Center Bonds also feature a Revenue Stabilization Fund (the "Stabilization Fund"), which is held by the bond trustee. The Stabilization Fund was created under a cooperative agreement between the Authority and the County. Moneys on deposit in the Stabilization Fund may only be used to make debt service payments on the Convention Center Bonds before such payments become an obligation of the County or as otherwise directed by the County. However, the Stabilization Fund is not pledged to the payment of the Convention Center Bonds. The Authority has never been required to make a draw from the Stabilization Fund. As of June 30, 2023, the balance in the Stabilization Fund is \$4,673,262.

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.

State statutes limit the amount of indebtedness for recreational purposes which may be incurred by the County on behalf of the Authority to no more than three percent of the County's total reported assessed valuation. Based on the County's assessed valuation for fiscal year 2023 (including the assessed valuation of the Reno Redevelopment Agencies and the Sparks Redevelopment Agencies), the Authority's available statutory debt capacity is approximately \$608,100,229.

General Obligation Debt Limit

Based on Fiscal year 2023 Assessed Value

Washoe County Assessed Value	\$21,487,837,028
Reno Redevelopment Agencies Assessed Value	463,159,602
Sparks Redevelopment Agencies Assessed Value	<u>346,011,010</u>
Total Assessed Value	\$22,297,007,640
General Obligation Debt Limit (3%)	\$668,910,229
Outstanding G.O. Debt	<u>(60,810,000)</u>
Available General Obligation Debt Limit	\$608,100,229

SOURCE: Nevada Department of Taxation; RSCVA; compiled by JNA Consulting Group, LLC

Other factors also limit the amount of debt the Authority can issue. These factors include, but are not limited to, available revenues, bond market conditions, and the type of project 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 Authority currently does not have any outstanding bonds being paid directly from property tax.

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 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 Authority to be sold at competitive sale. For most Authority general obligation bonds, a competitive sale will usually result in the lowest TIC on the bonds. There are certain circumstances under which the Authority 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 Authority will follow the requirements of NRS 350.155 in choosing a method of sale for its bonds. If the Authority 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 the Authority. 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 Authority has prepared a Capital Improvement Plan, which is attached as Appendix B. As noted in Appendix B, some projects will have an impact on the Authority's general operating funds. Operational costs are funded with revenues of the Authority and will not affect the property tax rate.

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.*
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See Appendix B.

Chief Financial Officer of the Authority

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 for Reno-Sparks Convention & Visitors Authority is:

Courtney Jaeger
Vice President of Finance
Reno-Sparks Convention & Visitors Authority
P.O. Box 837
Reno, Nevada 89504-0837
(775) 827-7626

APPENDIX A

DEBT SERVICE SCHEDULES

Convention Center Refunding Bonds, Series 2021

Date	Principal	Rate	Interest	Semi-Annual Debt Service	Annual Debt Service
07/01/2023	\$5,200,000	5.000%	\$1,504,575.00	\$6,704,575.00	
01/01/2024			1,374,575.00	1,374,575.00	\$8,079,150.00
07/01/2024	5,470,000	5.000%	1,374,575.00	6,844,575.00	
01/01/2025			1,237,825.00	1,237,825.00	8,082,400.00
07/01/2025	5,750,000	5.000%	1,237,825.00	6,987,825.00	
01/01/2026			1,094,075.00	1,094,075.00	8,081,900.00
07/01/2026	6,045,000	5.000%	1,094,075.00	7,139,075.00	
01/01/2027			942,950.00	942,950.00	8,082,025.00
07/01/2027	6,355,000	5.000%	942,950.00	7,297,950.00	
01/01/2028			784,075.00	784,075.00	8,082,025.00
07/01/2028	6,680,000	5.000%	784,075.00	7,464,075.00	
01/01/2029			617,075.00	617,075.00	8,081,150.00
07/01/2029	7,025,000	5.000%	617,075.00	7,642,075.00	
01/01/2030			441,450.00	441,450.00	8,083,525.00
07/01/2030	7,385,000	5.000%	441,450.00	7,826,450.00	
01/01/2031			256,825.00	256,825.00	8,083,275.00
07/01/2031	7,765,000	5.000%	256,825.00	8,021,825.00	
01/01/2032			62,700.00	62,700.00	8,084,525.00
07/01/2032	3,135,000	4.000%	62,700.00	3,197,700.00	
01/01/2033			0.00	0.00	3,197,700.00
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	\$60,810,000		\$15,127,675.00	\$75,937,675.00	\$75,937,675.00

APPENDIX B

FIVE-YEAR CAPITAL IMPROVEMENT PLAN

FIVE YEAR CAPITAL IMPROVEMENT PLAN
(Per NRS 354.5945)



Minimum level of expenditure for items classified as capital assets	\$ 5,000	ENTITY: Reno-Sparks Convention & Visitors Authority
Minimum level of expenditure for items classified as capital projects	\$ 50,000	DATE: 07/27/2023

		FY 2023-2024	FY 2024-2025	FY 2025-2026	FY 2026-2027	FY 2027-2028
Fund:	Capital Projects Fund					
Capital Improvement:	Various	4,293,000	3,183,617			
Funding Source:	Room Tax, Rents/Royalties, Chgs for Svcs, Misc					
Completion Date:	06-30-XXXX (end of each fiscal year)					
Fund Total		\$ 4,293,000	\$ 3,183,617	\$ -	\$ -	\$ -

		FY 2023-2024	FY 2024-2025	FY 2025-2026	FY 2026-2027	FY 2027-2028
Fund:	General Fund					
Capital Improvement:	Various	107,702				
Funding Source:	Room Tax, Rents/Royalties, Chgs for Svcs, Misc					
Completion Date:	06-30-XXXX (end of each fiscal year)					
Fund Total		\$ 107,702	\$ -	\$ -	\$ -	\$ -

GRAND TOTALS		\$ 4,400,702	\$ 3,183,617	\$ -	\$ -	\$ -
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List of Funding Sources:

Property Tax - Gen. Revenues
Charges for Services
Debt
Grants
Other (Please Describe)

Revised 6/3/2021