

## STAFF REPORT

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**Date:** April 10, 2024

**To:** Mayor and City Council

**Thru:** Doug Thornley, City Manager

**Subject:** Staff Report (For Possible Action): Resolution to augment the budget of the City of Reno, Nevada, for fiscal year (FY) 23/24; and approval of budget revisions for the period of January 1, 2024, through March 31, 2024.

**From:** Lynsey Hatfield, Senior Management Analyst

**Department:** Finance

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### **Summary:**

The City adopts an annual budget each year. The annual budget is the overall plan for City services for the fiscal year (FY). As we proceed through the fiscal year, the plan changes and evolves requiring resources to be reallocated or added through budget augmentations. Budget augmentations must be adopted by resolution, and the information forwarded to the Nevada Department of Taxation for approval. Augmentations of appropriations of a fund that receives ad valorem taxes must be noticed in the local newspaper prior to Council approval. The augmentations to the General Fund were noticed as required.

### **Alignment with Strategic Plan:**

Fiscal Sustainability

Arts, Parks, and Historical Resources

Public Safety

Infrastructure, Climate Change, and Environmental Sustainability

### **Previous Council Action:**

January 24, 2024 - Council approved budget augmentations/revisions for the second quarter through December 31, 2023.

October 11, 2023 - Council approved budget augmentations/revisions for the first quarter through September 30, 2023.

May 24, 2023 - Council adopted the FY 23/24 Budget.

**Background:**

Council previously adopted the FY 23/24 budget being augmented on May 24, 2023.

**Discussion:**

The principal budget development period for the City begins with budget planning in October and November and leads to budget adoption in May, with funding available on July 1 of each fiscal year. The focus of staff during this process is long-term planning to sustain City operations and meet Council goals. During the year, however, matters arise that require a more immediate response rather than waiting until the next budget cycle for funding. Instead of each individual request coming to Council at different times during the year, staff combines these requests into one report that is presented to Council quarterly as we progress through the fiscal year.

General Fund

The additional appropriations to the General Fund included in the proposed augmentation are \$3.05 million. The majority is related to the addition of grants and reimbursements. Included in the grants and reimbursements are awards to the Parks Department, Police, Fire, and Arts & Culture (City Manager's Office). Also included is a reduction to reimbursements of \$1,290,681. These funds were anticipated to be reimbursed for the purchase of the updated computer-aided dispatch (CAD) system for Public Safety Dispatch. This portion of the purchase is now being directly funded from E911 funds and as such there will be no corresponding expense to the City.

Proposed position changes include the addition of one new position and the reorganization of a vacant position in the General Fund. The new position is a grant-funded case manager for Municipal Court and will have no fiscal impact on the General Fund. Additionally proposed is a reorganization to include the elimination of the vacant chief innovation and experience officer position which will allow for the addition of a new network engineer for the Department of Information Technology; \$15,000 for a council intern; and the transition of a partially grant-funded program assistant in Housing and Neighborhood Development. This program assistant is currently 45% funded from the General Fund. With the reorganization, this will increase to 100% General Fund. There is no proposed change in approved full-time equivalents (FTEs) from this reorganization.

The augmentation also includes an additional transfer from the Room Tax Fund to the General Fund to support additional special events activation. Proceeds from the sale of two properties on Fourth Street are proposed to be used for revitalization. The remaining adjustments are revisions to align budget amounts to updated expense categories or departments. Revisions do not result in an increase to the overall City budget and occur to align the budget with anticipated expenditures.

The following items are included as General Fund budget augmentations:

- General Fund

Fire grants & other reimbursements	\$2,518,406
1610 & 1790 W Fourth Street property sale	866,555
Parks grants & donations	524,305
Police grants & other reimbursements	256,639
Additional special events support (transfer from Room Tax)	100,000
Municipal Court grant	69,436
Arts & Culture grant (City Manager's Office)	5,625
Reduce Reimbursement Revenue (direct payment by E911)	(1,290,681)
<b>TOTAL General Fund</b>	<b>\$3,050,285</b>

#### Room Tax Fund

- Room Tax Fund

Additional special events support- transfer to General Fund	\$100,000
<b>TOTAL Room Tax Fund</b>	<b>\$100,000</b>

#### Capital Projects Funds

Additional appropriations in the Capital Projects Funds include the recognition of auction proceeds received in the Fire Capital Projects Fund. These funds are proposed for use by the Fire Department for their Fire Apparatus Program.

- Capital Projects Funds

Auction proceeds – Fire Capital Projects Fund	\$34,224
<b>TOTAL Capital Projects Funds</b>	<b>\$34,224</b>

#### Sewer Fund

Funds are proposed for the remodel of the 10th floor of City Hall. This floor is occupied entirely by Utility Services and as such all the work done is a direct benefit to the Sewer Fund.

- Sewer Fund

10 <sup>th</sup> Floor Remodel	\$1,037,288
<b>TOTAL Sewer Fund</b>	<b>\$1,037,288</b>

#### **Financial Implications:**

Augmentations are funded by various sources per the attachment. All other items are revisions that move allocations between line items but do not increase the overall budget.

#### **Legal Implications:**

Augmentations to the current budget are required to be adopted by a resolution of Council in accordance with Nevada Revised Statute (NRS) 354.598005.

**Recommendation:**

Staff recommends Council adopt the Resolution approving the budget augmentations herein, direct staff to forward the approved resolution and attachments to the Department of Taxation as required by NRS 354.598005, approve revisions on the attached list, and record these changes in the minutes.

**Proposed Motion:**

I move to approve staff recommendation.

**Attachments:**

Resolution

03 FY23/24 3rd Qtr. Part 1 & Part 2

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