

# Financial Update & Augmentation

October 23, 2024



C I T Y O F  
**RENO**

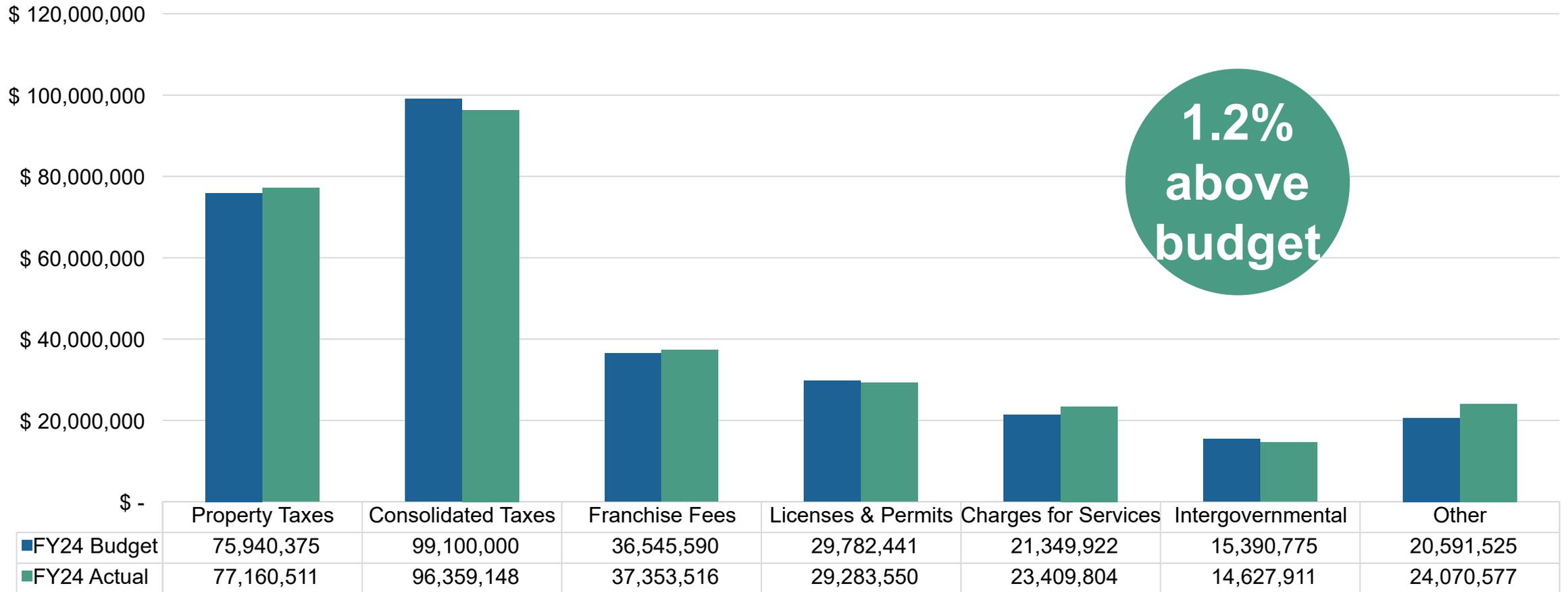
# Alignment with Strategic Plan



# Financial Update

- All FY24 information provided in this presentation is preliminary
  - Entries are still being recorded as the books are closed and financial statements are prepared
  - Audit is currently underway
  - Annual Comprehensive Financial Report (audited) will be presented to Council in December

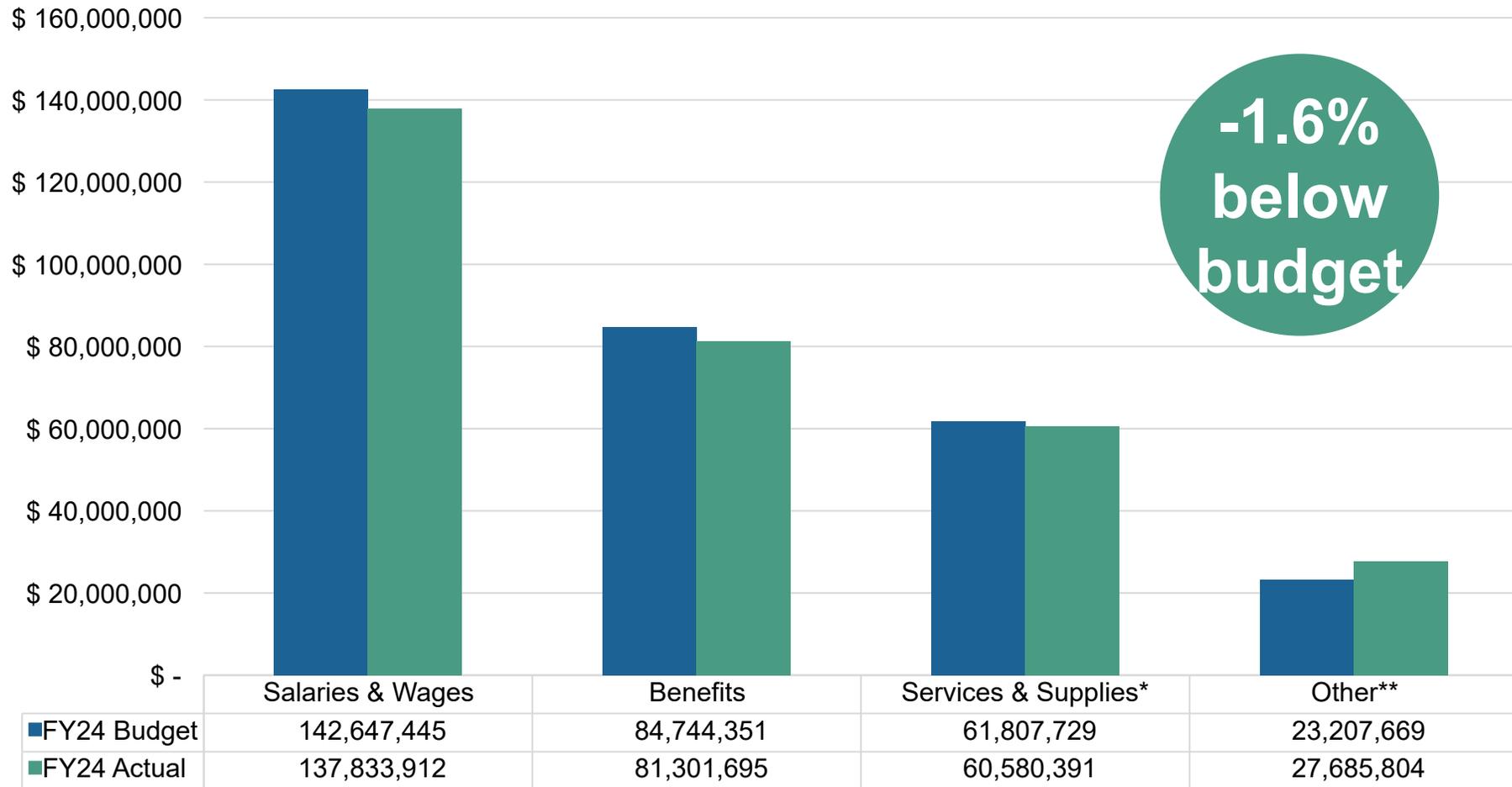
# FY24 General Fund Revenues



\*excludes Freight House District passthrough funds

Unaudited (preliminary as of 10/16/24)

# FY24 General Fund Expenses



**-1.6%  
below  
budget**

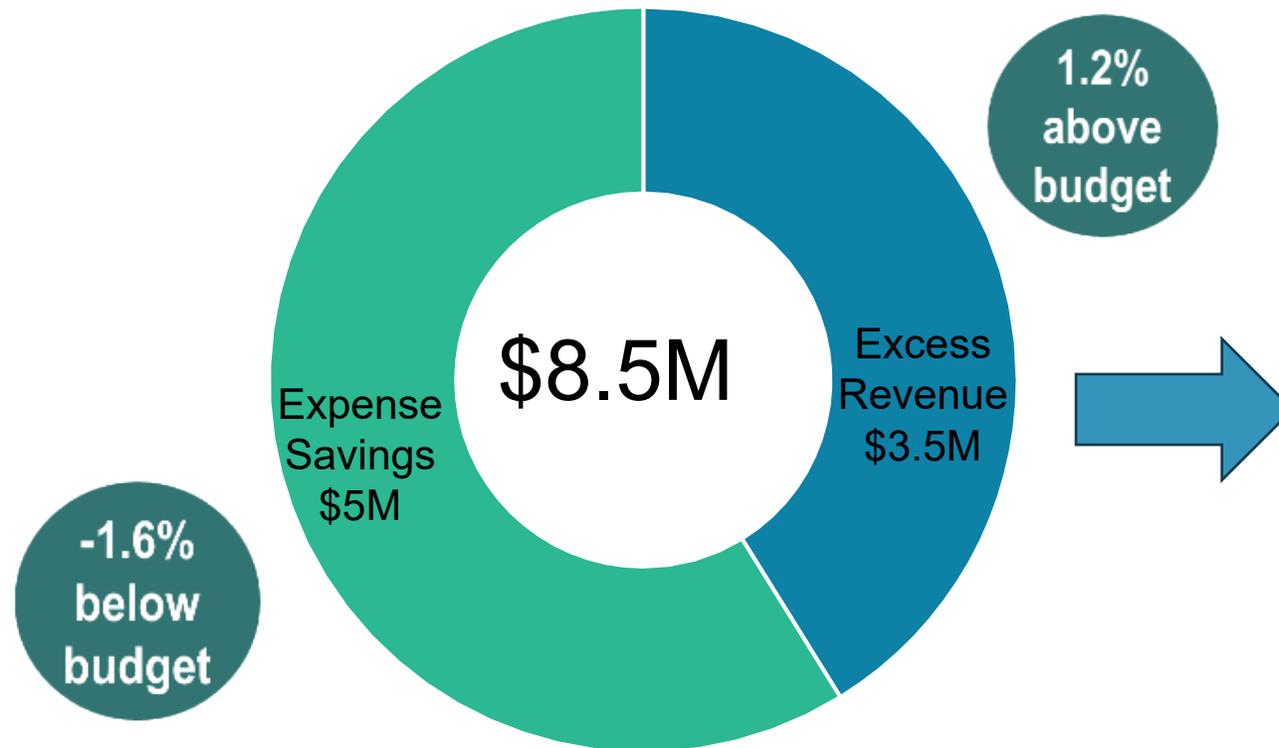


\*excludes Freight House District passthrough funds and includes \$6.6M in carryforwards to FY25

\*\*includes fund balance change

Unaudited (preliminary as of 10/16/24)

# FY24 General Fund Excess Fund Balance

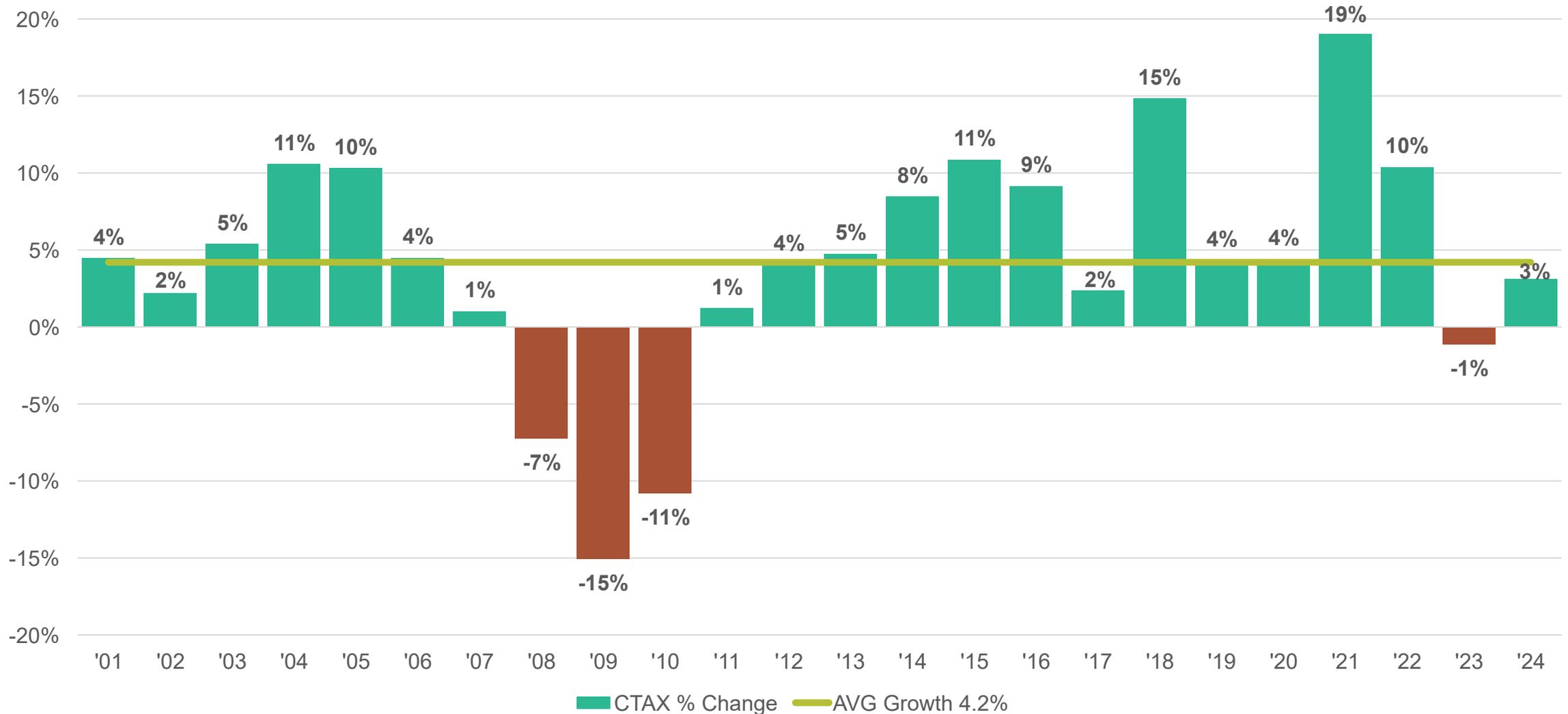


\$7.9 Million to fund class and compensation implementation & collective bargaining changes in FY25

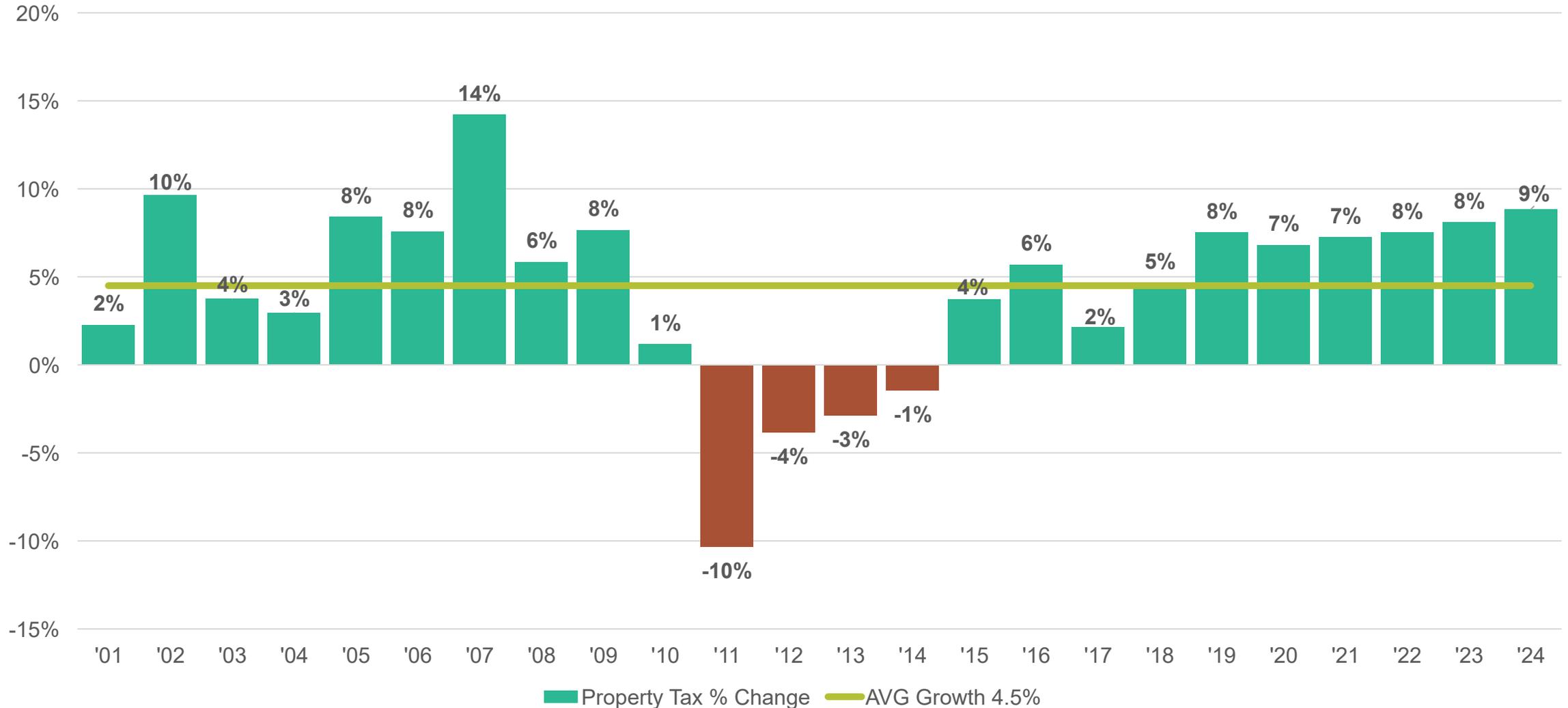
# What does this mean for FY25 and beyond?

- Using excess funds from FY24 to fund current year expenses (unbalanced budget)
- No opportunities for one-time funding
- Slow revenue growth and increasing labor costs will create challenges to get back to a balanced budget in the future
- Reset required

# Historical C-Tax Growth

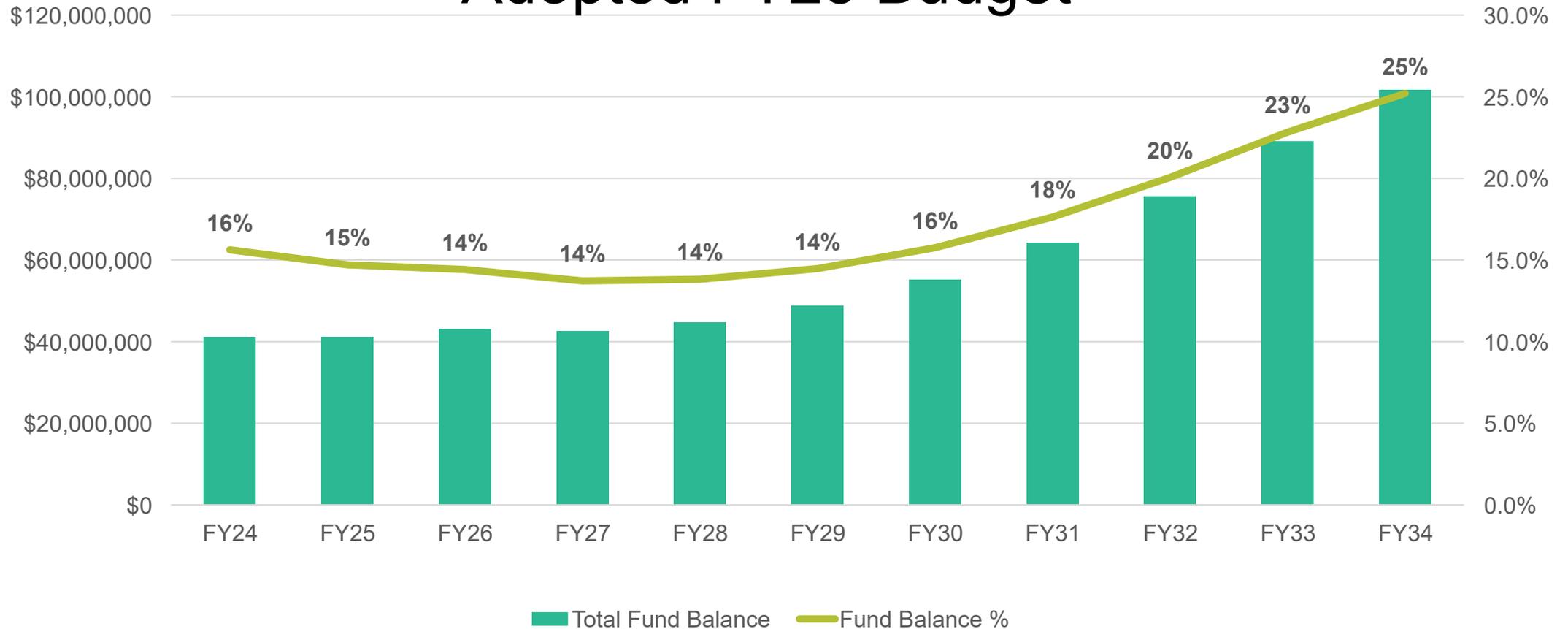


# Historical Property Tax Growth



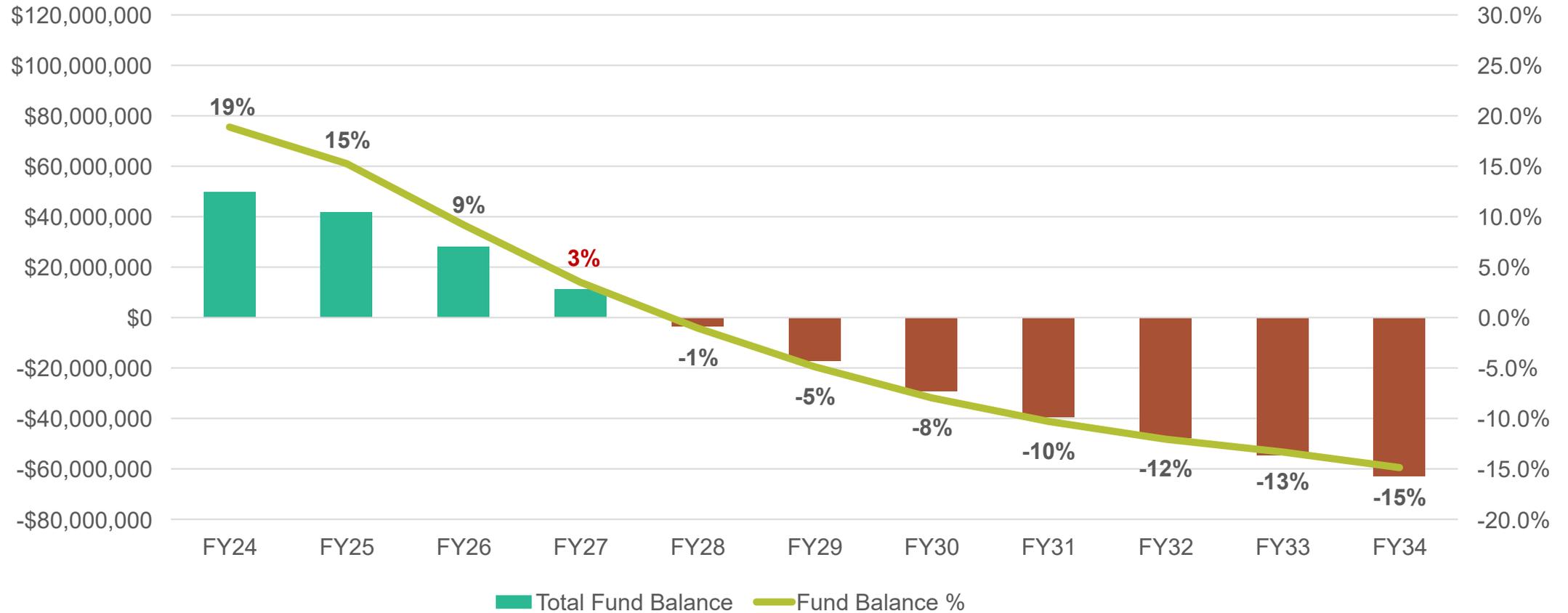
# General Fund 10-Year Forecast BUDGET

## Adopted FY25 Budget



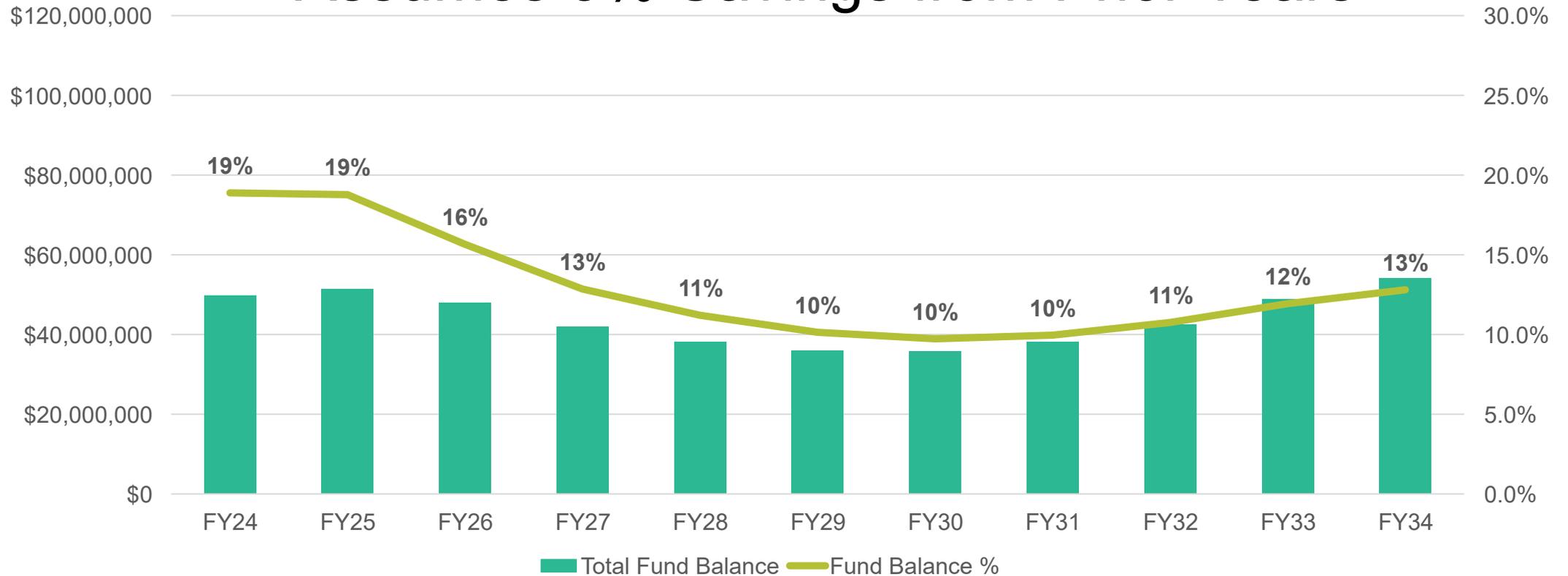
# General Fund 10-Year Forecast REVISED

## Updated Labor Costs



# General Fund 10-Year Forecast SCENARIO

## Updated Labor Costs Assumes 3% Savings from Prior Years



# Augmentations & Revisions Summary

- Labor negotiation implementation
- FY24 open purchase order carryforwards
- Additional unencumbered carryforwards
- Grants & reimbursements

# Labor Negotiation Implementation

Fund	Source	Amount*
General Fund	Excess beginning fund balance	\$7.9M
Sewer Fund	Reduction of ending cash balance	\$418K
Building Enterprise Fund	Reduction of ending cash balance	\$410K
Street Fund	Reduction of ending fund balance	\$209K
Fleet Fund	Reduction of ending cash balance	\$77K
Risk Management Fund	Reduction of ending cash balance	\$64K
HUD and State Housing Funds	Additional grant revenue	\$16K
Community Assistance Fund	Additional grant revenue	\$12K
<b>Total</b>		<b>\$9.1M</b>

\*Amounts are in excess of anticipated increases previously built into the FY24/25 Adopted Budget

# General Fund

Purpose	Source	Amount
Labor negotiation implementation	Excess beginning fund balance	\$7.9M
FY24 open purchase order carryforwards	Excess beginning fund balance	\$3.5M
Additional unencumbered carryforwards	Excess beginning fund balance	\$1.5M
Grants & reimbursements*	External sources	\$2.1M
Carryforward GEMT true-up to Fire apparatus replacement plan	GEMT revenue received in prior fiscal year	\$1.6M

\*1 new River Ranger FTE included

Partial funding is provided via reimbursement from the Truckee River Flood Management Authority. The remainder is covered by budget savings within the Parks and Recreation department.

# FY23/24 Carryforwards

Fund	Amount
Sewer Fund	\$36.0M
General Capital Projects Funds	\$34.6M
Street Fund	\$12.5M
General Fund	\$6.6M
Fleet Fund	\$4.6M
Room Surcharge Capital Projects Fund	\$3.6M
Park District Capital Project Funds	\$1.3M
Room Tax	\$895K
Forfeiture Special Revenue Fund	\$385K
Capital Tax Fund	\$131K
Building Fund	\$55K
Opioid Recoveries Fund	\$23K

# Other Fund Changes

- Contingency (General Fund)
  - \$300,000 – Downtown Trashcans
    - requested at 10/9/24 Council Meeting
- CIP Change of use
  - Facility Maintenance Fund – \$500K
    - Previous use: FY22/23 CIP Keystone Evidence Facility roof replacement
    - Proposed use: Keystone roof patching; remainder for other critical facility maintenance projects
  - Sewer Fund – \$1.5M
    - Previous use: FY24/25 CIP for new equipment storage building at the Corp Yard
    - Proposed use: add to FY24/25 CIP for new satellite facility in the North Valleys

# Recommended Motion

I move to approve the augmentations and revisions from July 1, 2024 through September 30, 2024.