

FY 2024/25 Budget Workshop

March 18, 2024



C I T Y O F
RENO

Agenda

- Budget Development Overview
- General Fund Revenues
- General Fund Expenses, Summary, & 10-Year Forecast
- Special Revenue & Enterprise Funds
- Internal Service Funds, OPEB Trust, & Debt
- Fee Schedule
- Coming up...



Alignment with Strategic Plan



Fiscal Sustainability



Public Safety



Economic Opportunity, Homelessness, & Affordable Housing



Economic & Community Development



Infrastructure, Climate Change, & Environmental Sustainability



Arts, Parks, & Historical Resources



Governance & Organizational Effectiveness

FY 2024/25 Budget Development Overview



- ▶ Economic Factors
 - ▶ High inflation 2023
 - ▶ Continuing strong labor market



- ▶ Federal Reserve
 - ▶ Interest rate hikes in 2023
 - ▶ Consumer Price Index (CPI) peaked in June at 9.1%
 - ▶ Anticipated interest rate reductions 2024



- ▶ Volatile markets
 - ▶ Financial banking crisis
 - ▶ 2023 was very volatile

FY 2024/25 Budget Development Overview

- Consolidated Tax (CTAX) is within 0.2% of budget for FY24
- Property Tax is within 0.1% of budget for FY24
- Franchise fees are trending above budget in FY24
- Slowing of the economy – expansion and contraction cycle
- State property tax projections on March 25

Sales Tax

Statewide Projections

FY24	FY25
2.32%	1.84%

City Projections

FY24	FY25
6%	4%



FY 2024/25 Budget Development Overview

- Baseline budget maintains current staffing levels and service/supply budgets
- Adjustments for inflation/contractual increases in services and supplies
- General Capital Funding
 - General Capital \$400,000
 - Building maintenance \$2,000,000
 - Parks maintenance \$700,000
 - Fire apparatus program \$3,400,000
- Dedicates ongoing GEMT funds to Fire apparatus program
- Includes \$1 Million to OPEB Trust
- Includes \$1 Million Contingency
- Increased allocations to Risk, Workers' Compensation and Fleet Funds
- Allocations realigned for public safety severance and other payouts

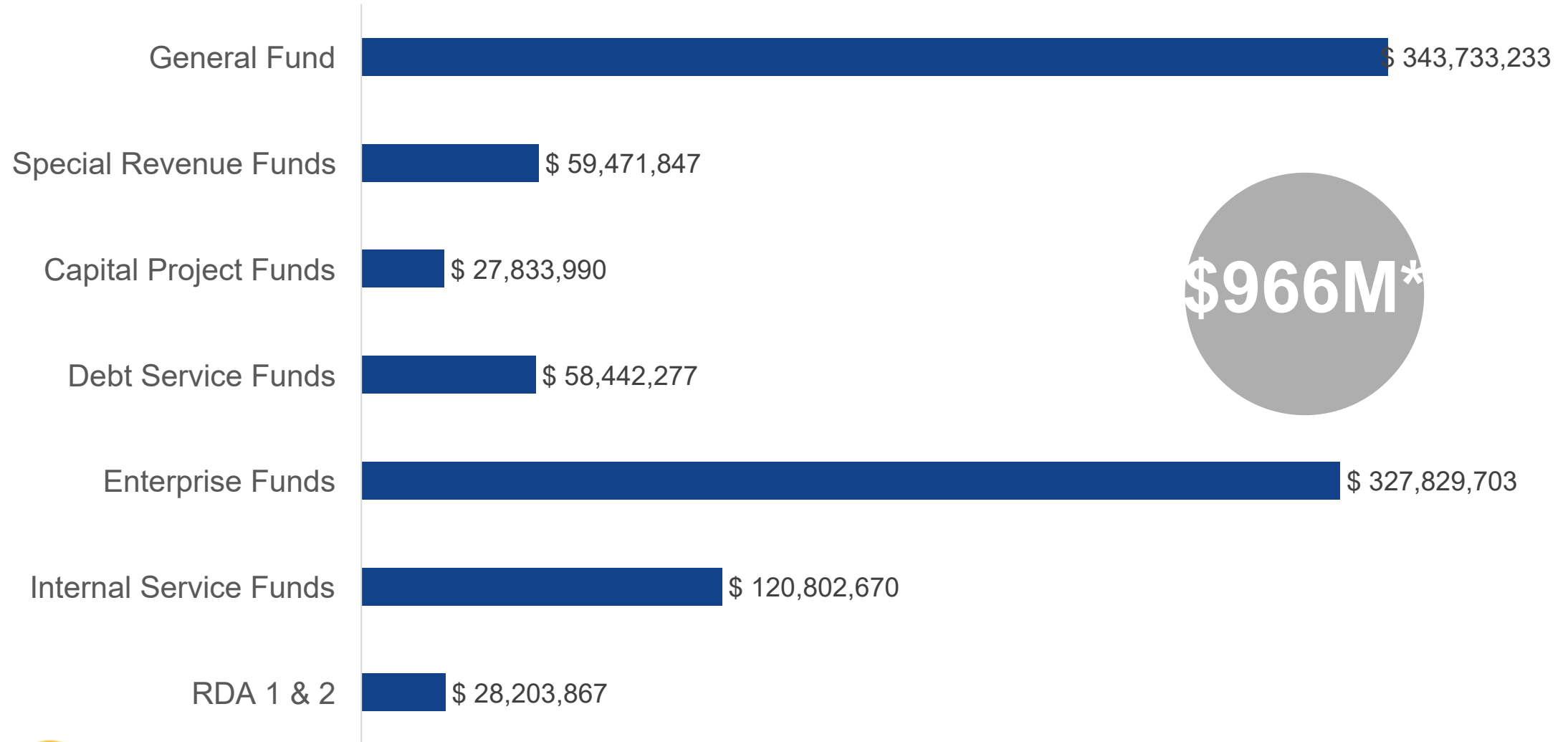


FY 2024/25 Budget Development Overview

- Includes staffing for Moana Pool
 - 5 Full-time positions and temp staffing
- Includes maintenance staff for new facilities (Moana pool and PSC)
 - 2 Full-time Maintenance Technicians
- Includes the transition of 1 Police Lieutenant over-hire to a full-time position
- Includes additional facility maintenance costs for the new facilities (utilities, janitorial, other supplies and maintenance items)
- PERS
 - Regular Members 33.5%
 - Police/Fire Members 50%
 - Next PERS change in FY26

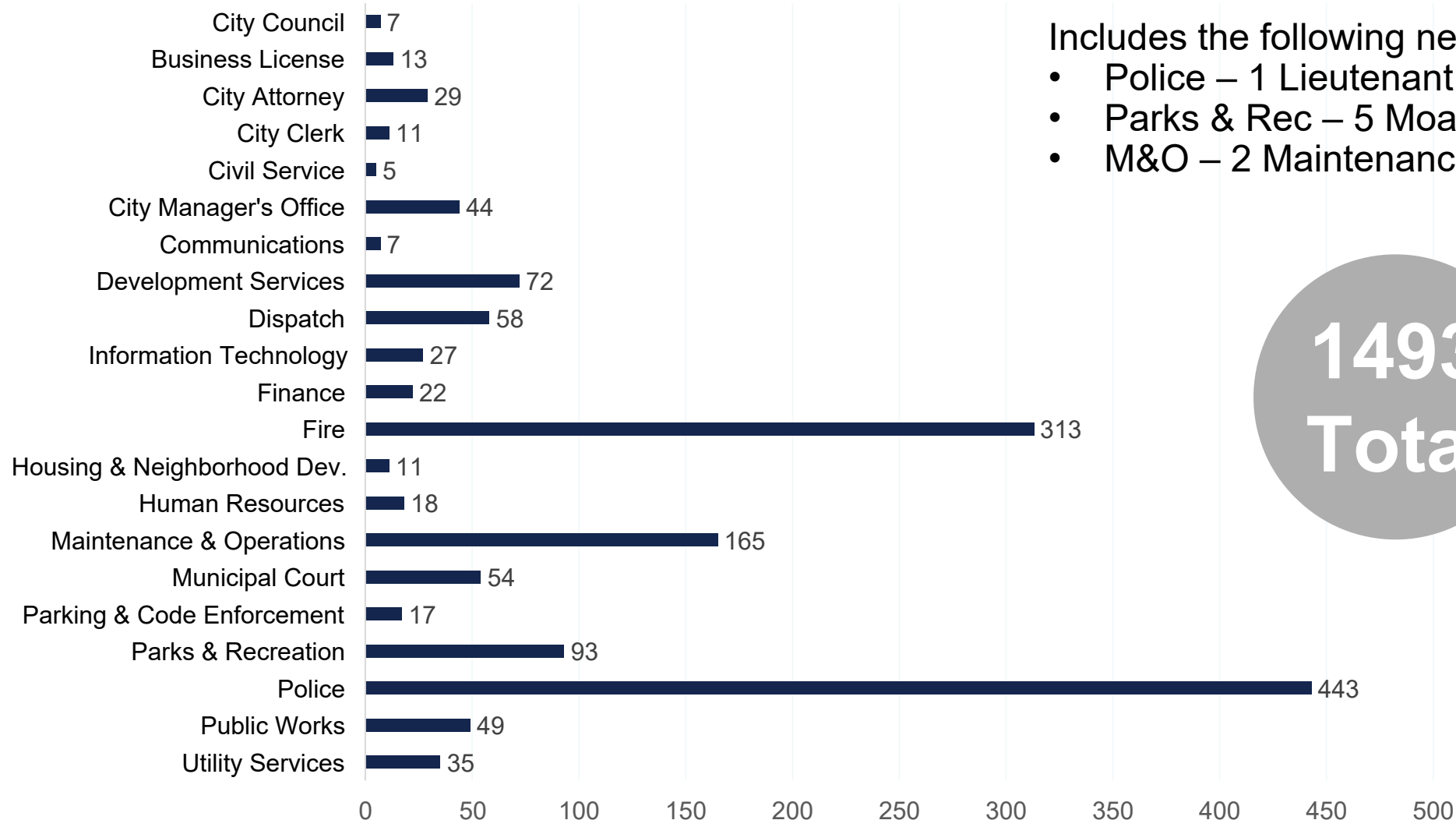


FY 2024/2025 Budget Development Overview



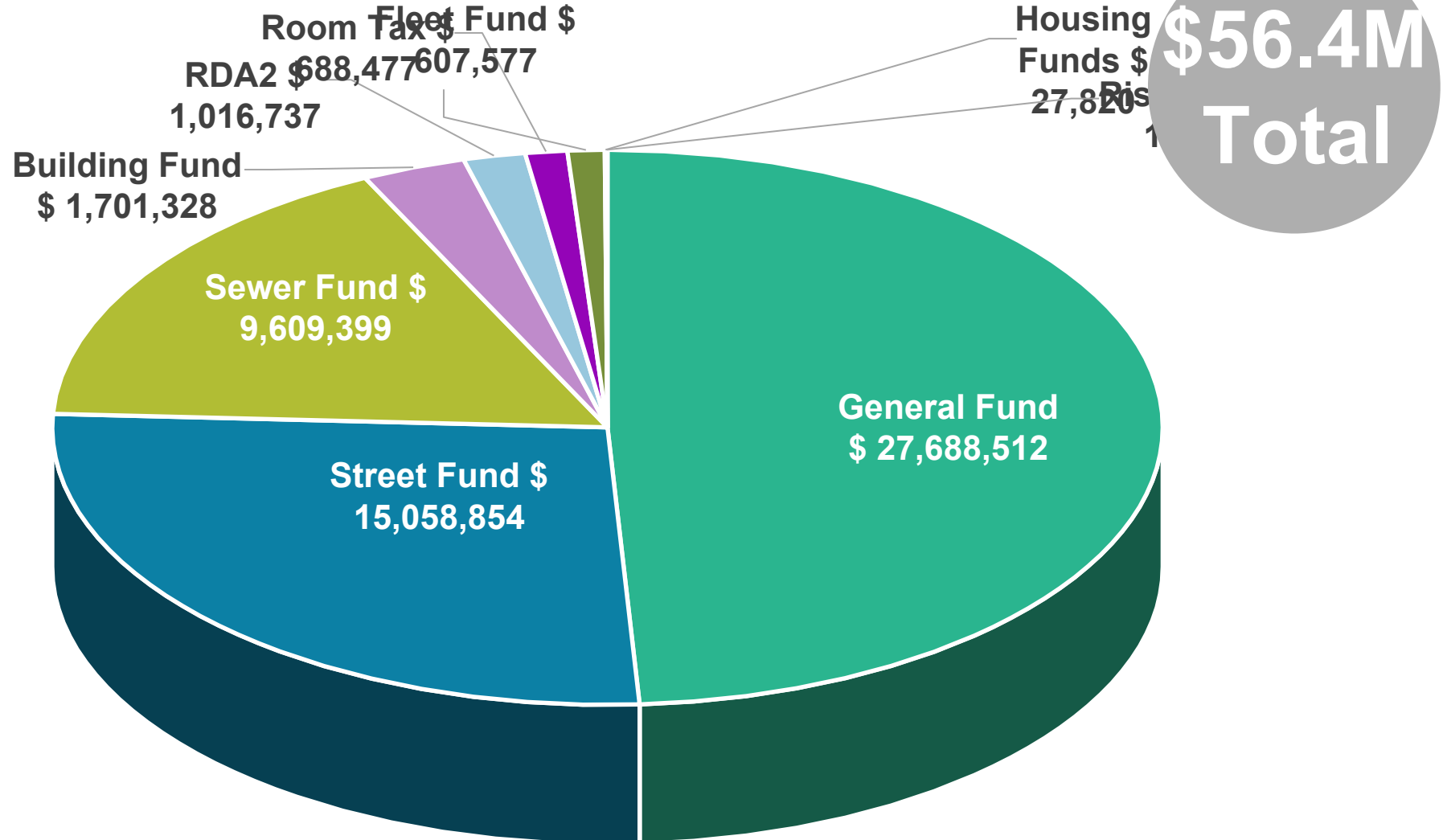
*Excluding Transfers, Including Ending Fund/Cash Balances

Full Time Equivalents by Department

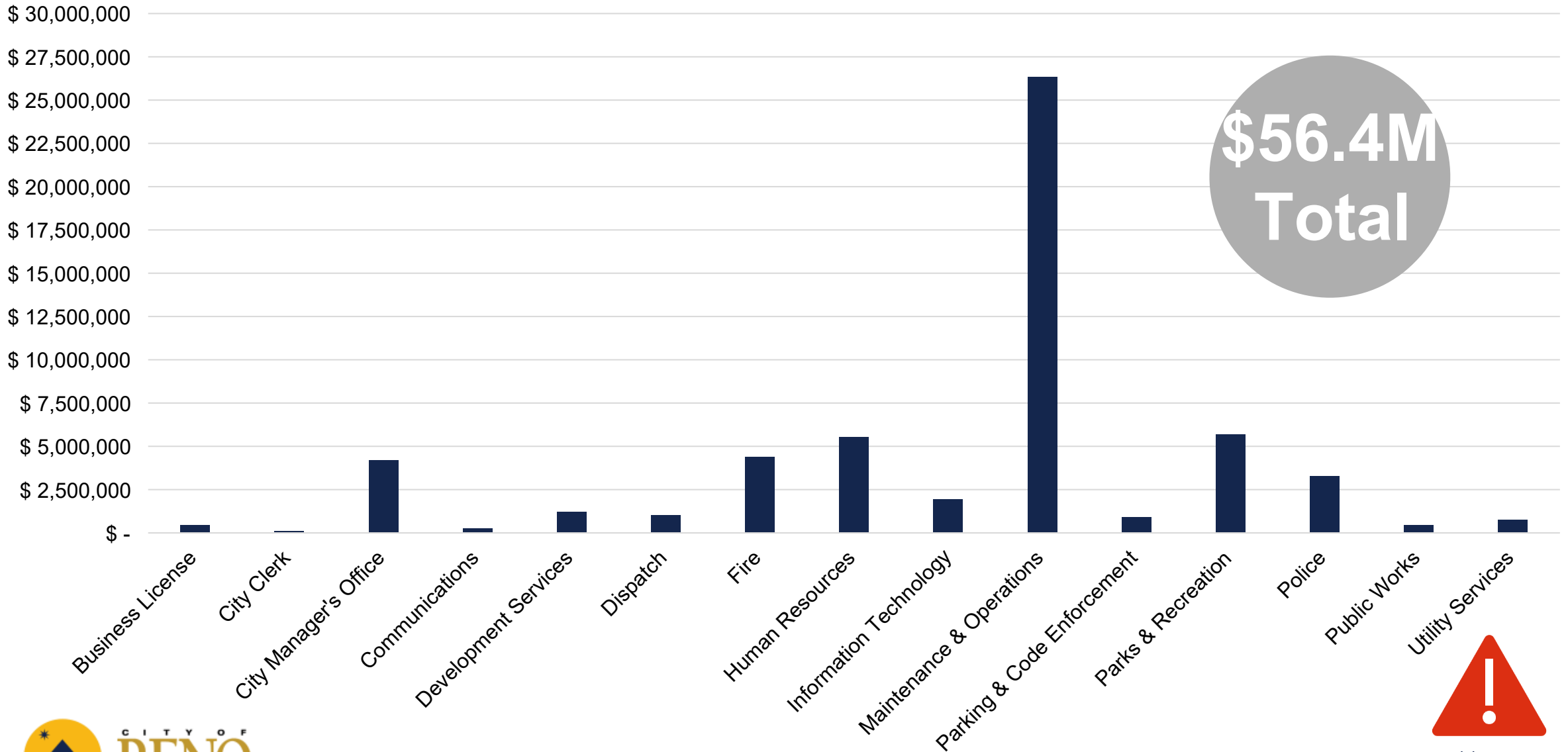


- Includes the following new positions:
- Police – 1 Lieutenant
 - Parks & Rec – 5 Moana Pool Staff
 - M&O – 2 Maintenance Workers

Additional Funding Requests

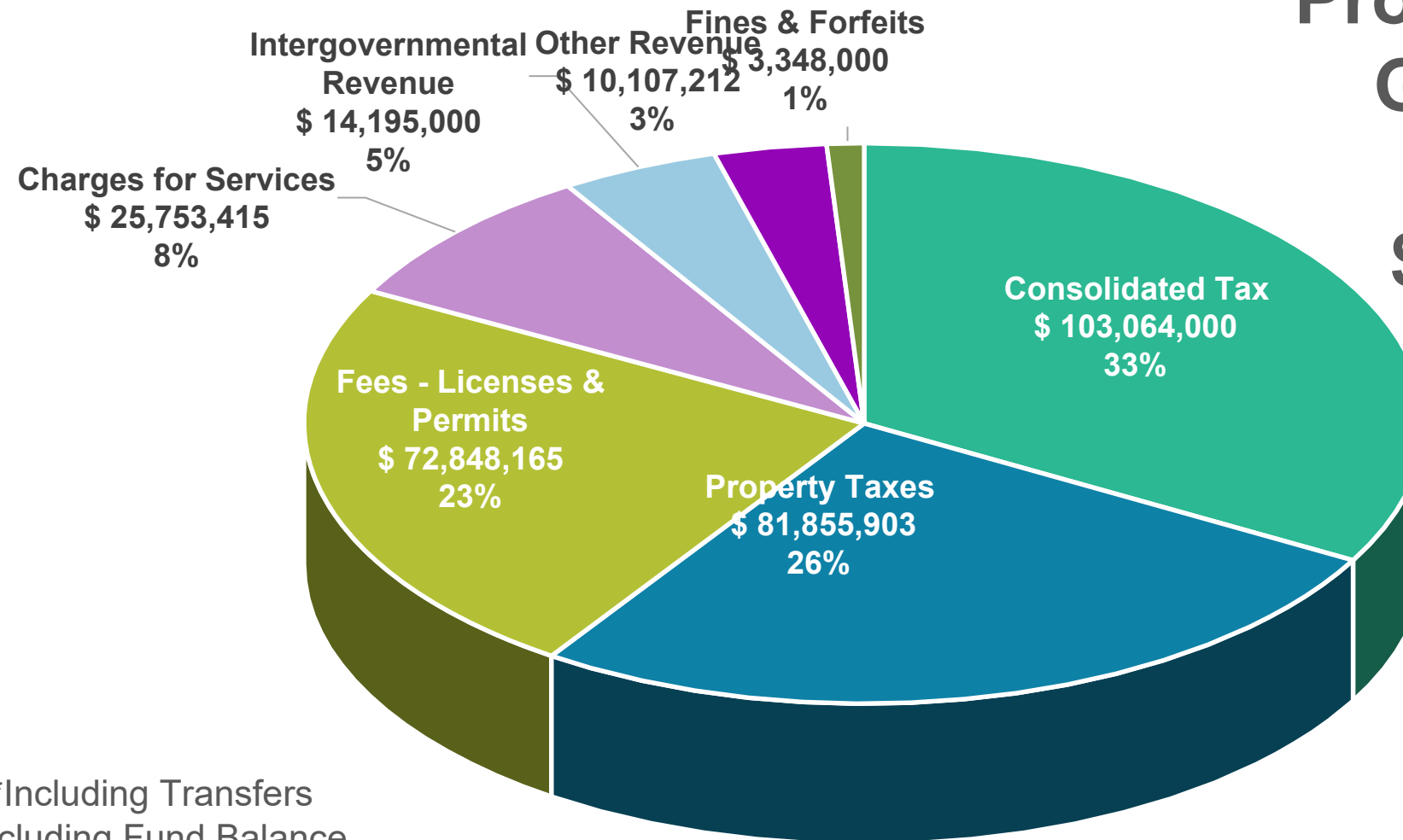


Additional Funding Requests



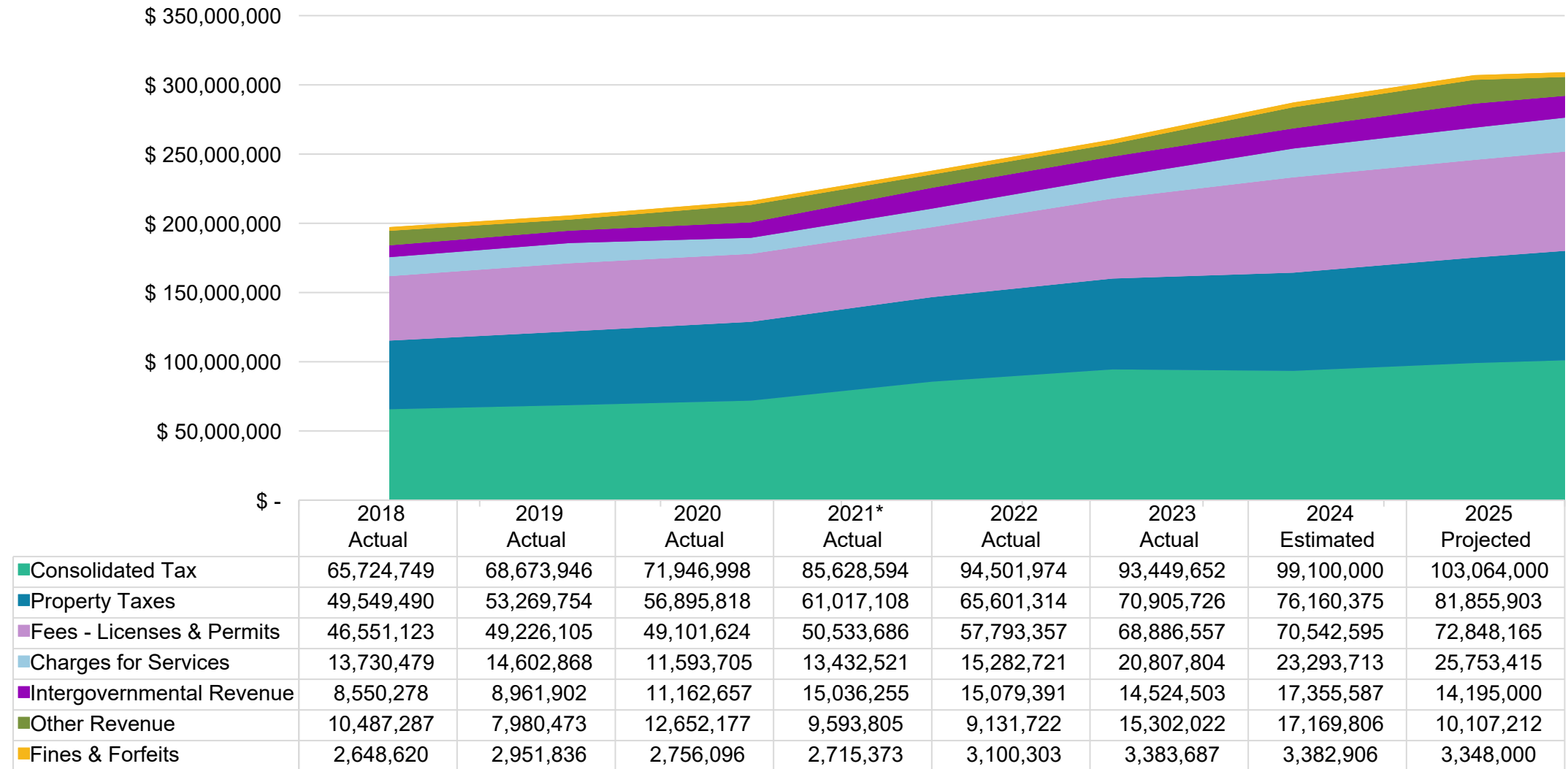
General Fund

**Projected FY24/25
General Fund
Revenues
\$311 Million***



*Including Transfers
Excluding Fund Balance

General Fund Revenue Overview FY18 – FY25



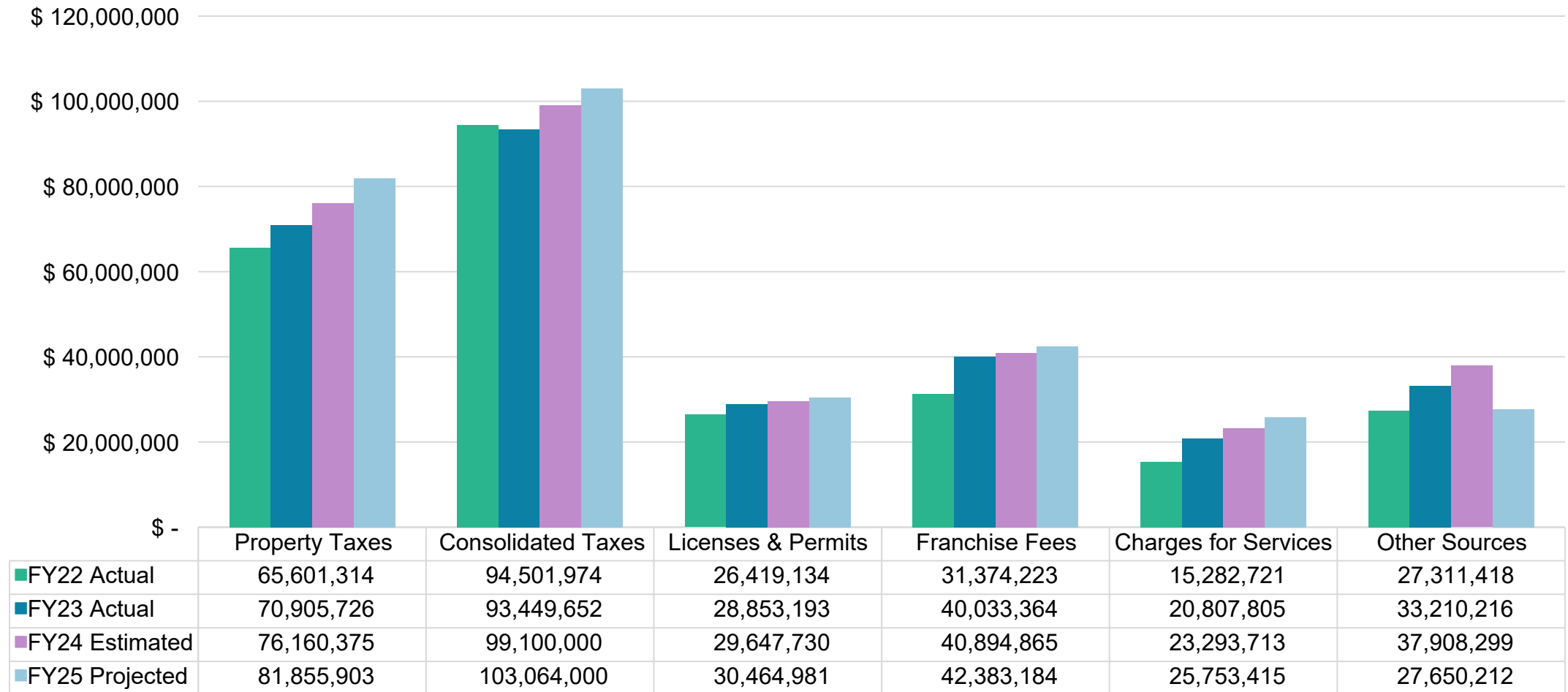
General Fund Major Revenues

	2021 Actual	2022 Actual	2023 Actual	2024 Estimated	2025 Projected
Property Taxes	\$ 61,017,108	\$ 65,601,314	\$ 70,905,726	\$ 76,160,375	\$ 81,855,903
<i>% change from prior year</i>	7%	8%	8%	7%	7%
Consolidated Tax	\$ 85,628,594	\$ 94,501,974	\$ 93,449,652	\$ 99,100,000	\$ 103,064,000
<i>% change from prior year</i>	19%	10%	-1%	6%	4%
Franchise Fees*	\$ 26,847,526	\$ 31,374,223	\$ 40,033,364	\$ 40,894,865	\$ 42,383,184
<i>% change from prior year</i>	-4%	17%	28%	2%	4%
Other Fees- Licenses and Permits	\$ 23,686,160	\$ 26,419,134	\$ 28,853,193	\$ 29,647,730	\$ 30,464,981
<i>% change from prior year</i>	12%	12%	9%	3%	3%
Charges for Services**	\$ 13,432,521	\$ 15,282,721	\$ 20,807,805	\$ 23,293,713	\$ 25,753,415
<i>% change from prior year</i>	16%	14%	36%	12%	11%
Fines & Forfeits	\$ 2,715,373	\$ 3,100,303	\$ 3,383,688	\$ 3,382,906	\$ 3,348,000
<i>% change from prior year</i>	-1%	14%	9%	0%	-1%

* Includes audit recoveries in 2021, 2022, 2023

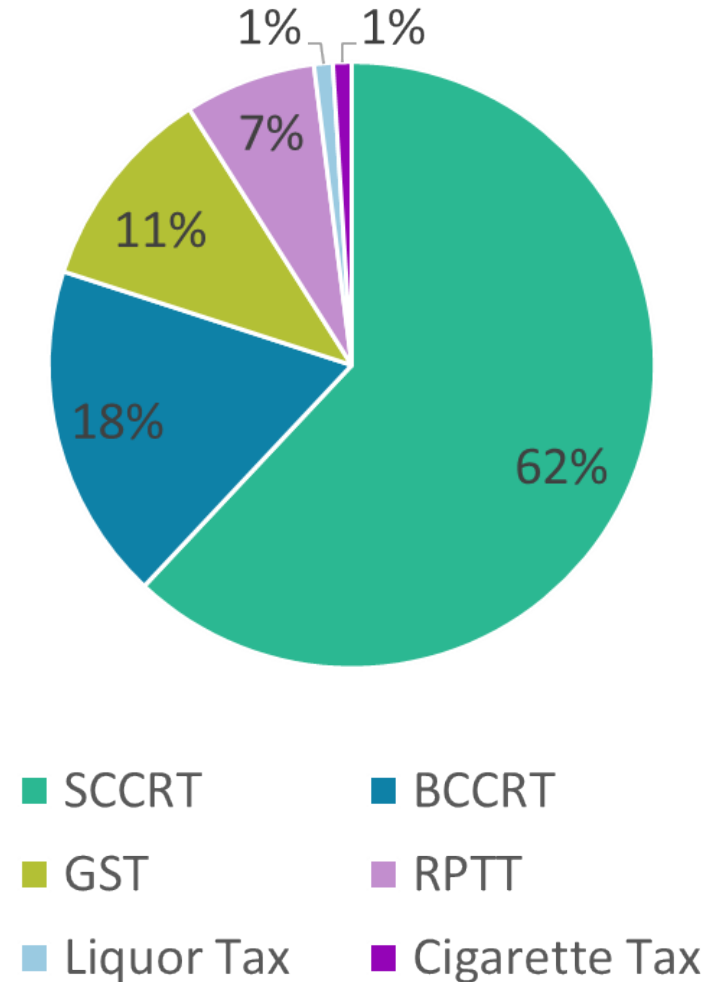
** Includes Fire transport reimbursement

General Fund Major Revenues

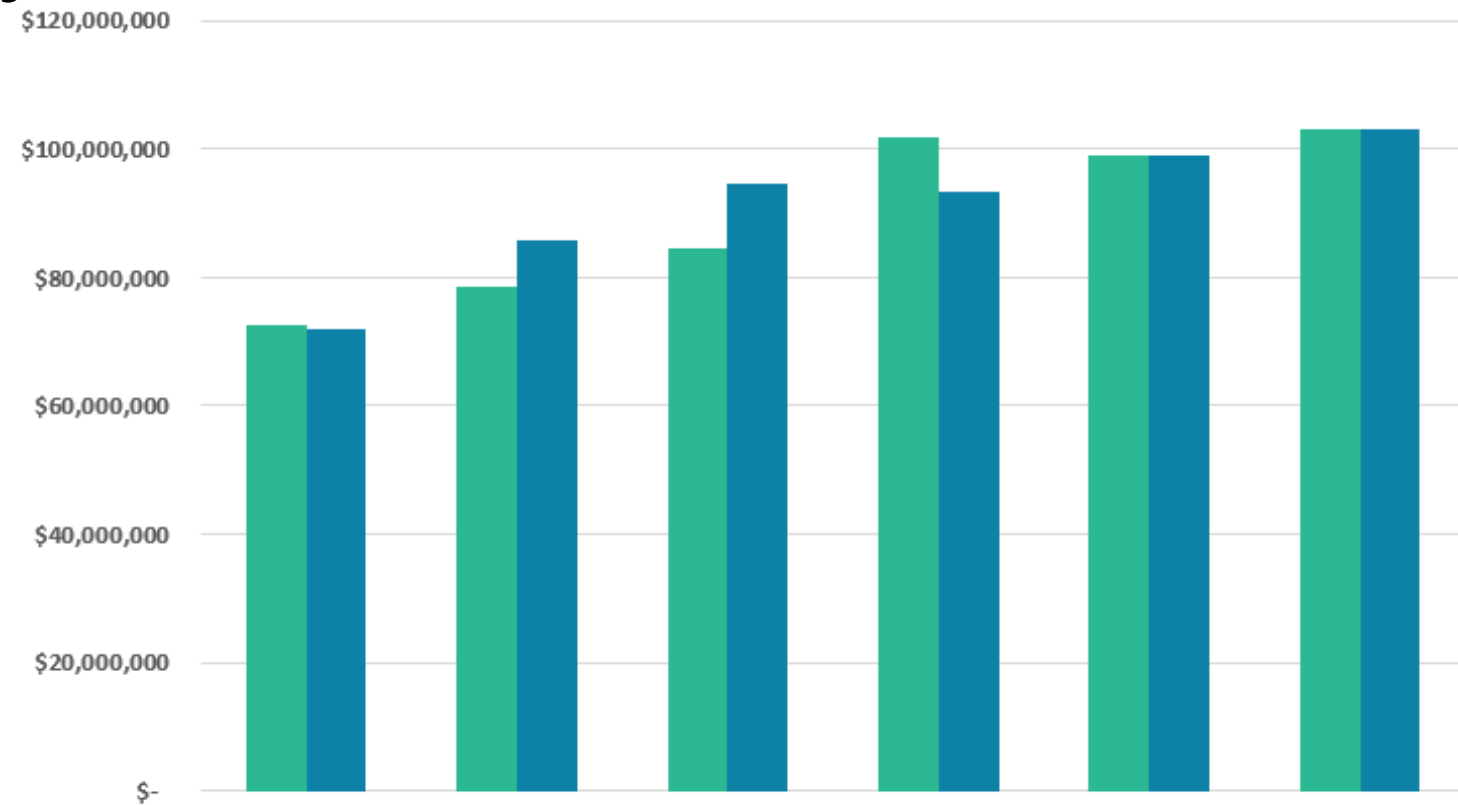




Components of CTAX

- 1) Cigarette Tax (1%)
- 2) Liquor Tax (1%)
- 3) Government Services Tax (GST) (11%)
- 4) Real Property Transfer Tax (RPTT) (7%)
- 5) Basic City County Relief Tax (BCCRT) (18%)
- 6) Supplemental City County Relief Tax (SCCRT) (62%)

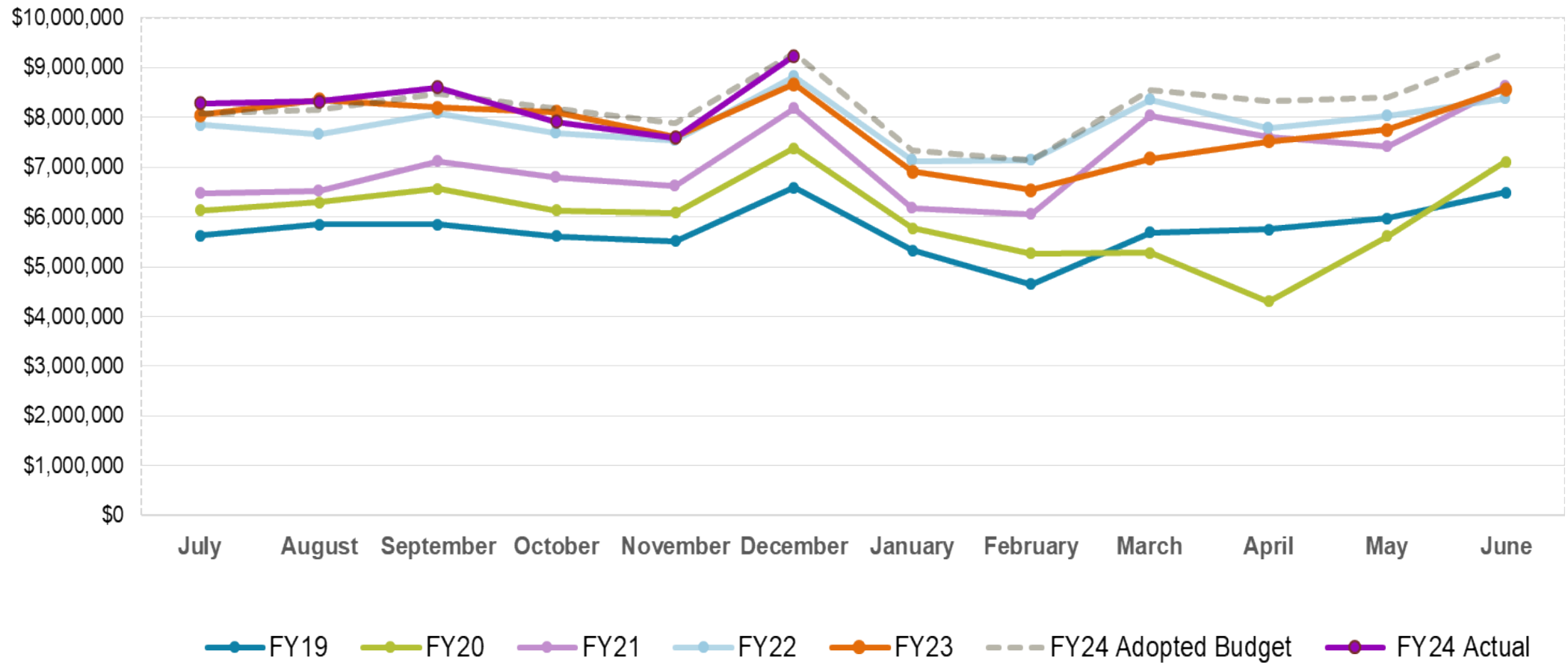


CTAX History 2020-2025

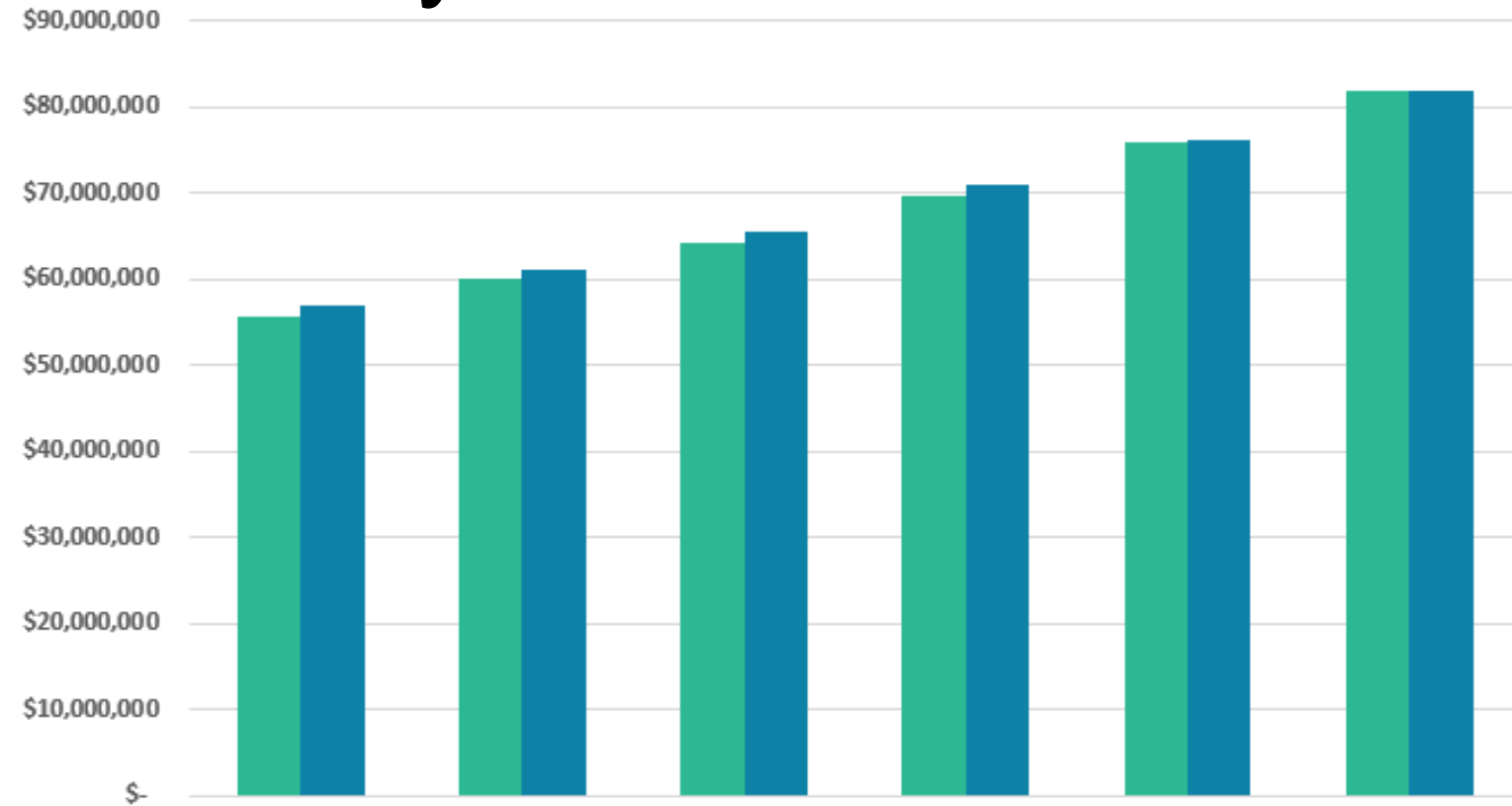




	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Estimated	FY25 Projected
Adopted Budget 	\$ 72,542,930	\$ 78,514,071	\$ 84,366,387	\$ 101,752,502	\$ 99,100,000	\$ 103,064,000
Actual/Estimate 	\$ 71,946,998	\$ 85,628,594	\$ 94,501,974	\$ 93,449,652	\$ 99,100,000	\$ 103,064,000
Variance:Over/(Under)	\$ (595,932)	\$ 7,114,523	\$ 10,135,587	\$ (8,302,850)	\$ -	\$ -
% Over/(Under)	-0.8%	9.1%	12.0%	-8.2%	0.0%	0.0%
Change YoY (\$)	\$ 3,273,052	\$ 13,681,596	\$ 8,873,380	\$ (1,052,322)	\$ 5,650,348	\$ 3,964,000
Change YoY (%)	4.8%	19.0%	10.4%	-1.1%	6.0%	4.0%

Consolidated Tax (CTAX)

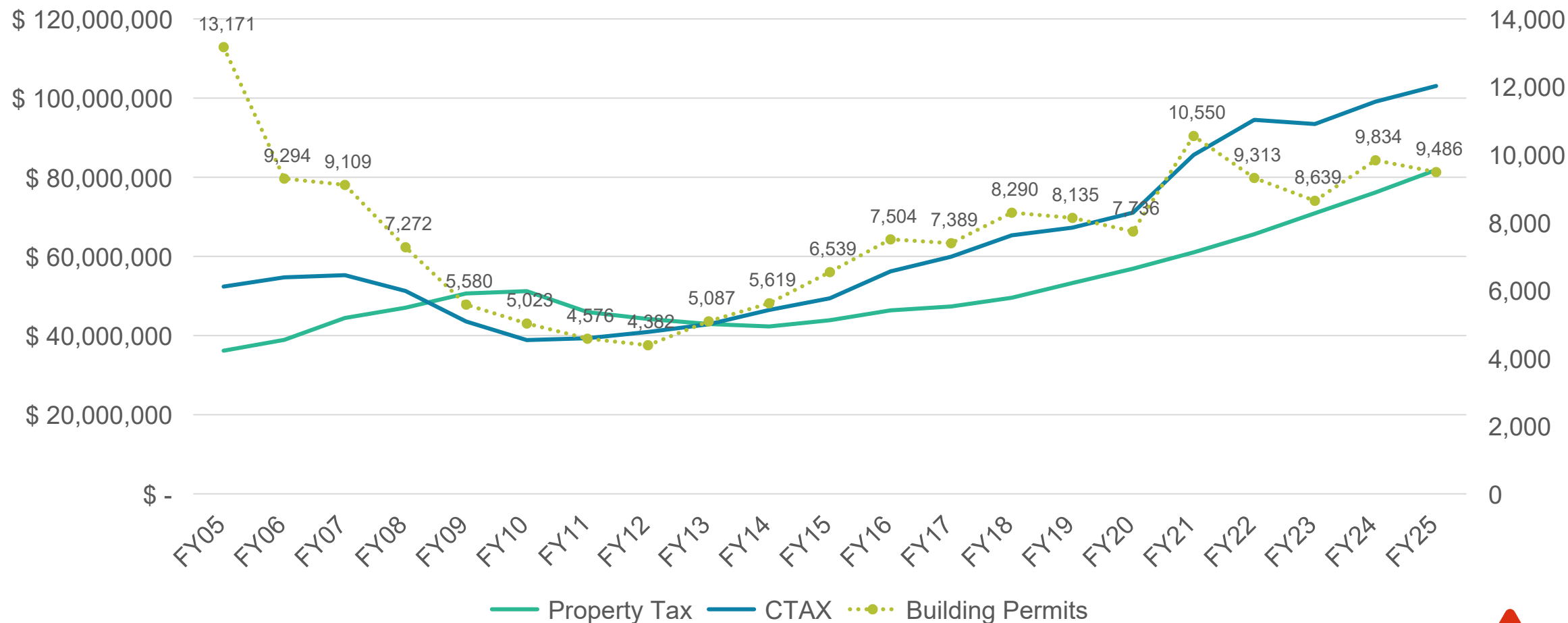


Property Tax History 2020-2025



	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Estimated	FY25 Projected
Adopted Budget 	\$ 55,762,595	\$ 59,978,058	\$ 64,129,038	\$ 69,759,029	\$ 75,940,375	\$ 81,855,903
Actual/Estimate 	\$ 56,895,818	\$ 61,017,108	\$ 65,601,314	\$ 70,905,726	\$ 76,160,375	\$ 81,855,903
Variance:Over/(Under)	\$ 1,133,223	\$ 1,039,050	\$ 1,472,276	\$ 1,146,697	\$ 220,000	-
% Over/(Under)	2.0%	1.7%	2.3%	1.6%	0.3%	0.0%
Change YoY (\$)	\$ 3,626,064	\$ 4,121,290	\$ 4,584,206	\$ 5,304,412	\$ 5,254,649	\$ 5,695,528
Change YoY (%)	6.8%	7.2%	7.5%	8.1%	7.4%	7.5%

Property Tax, CTAX, & Building Permit History

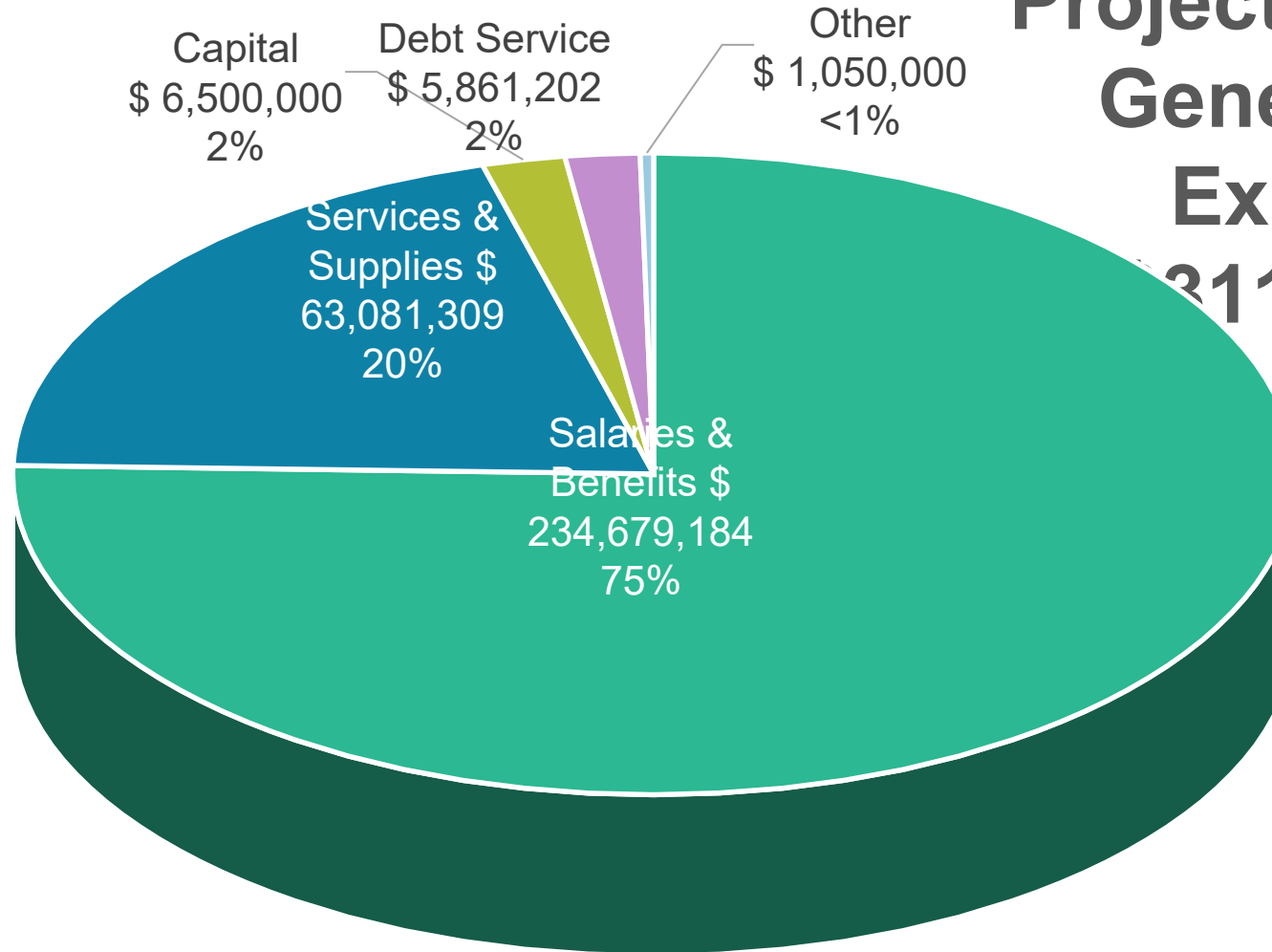


*Permit data from FY05-FY10 not restricted to Building Permits Issued



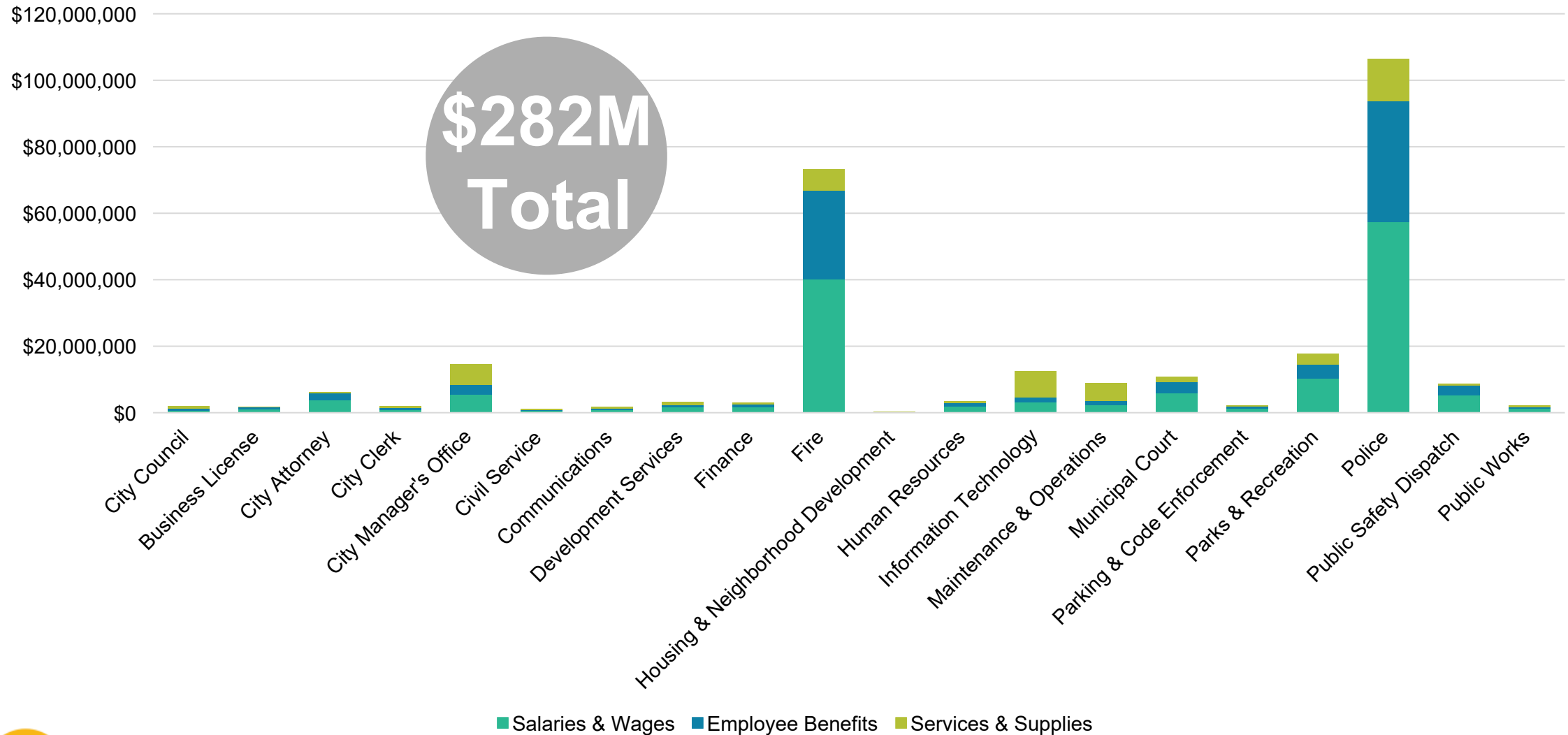
General Fund

Projected FY24/25 General Fund Expenses 311 Million*



*Including Transfers
Excluding Fund Balance

General Fund FY25 Operating Expenses



General Fund Operating Expenses by Department

**\$282M
Total**

Department	GF Operating Expenses	% of Budget
City Council	\$ 1,997,972	0.7%
Business License	1,764,517	0.6%
City Attorney	6,152,071	2.2%
City Clerk	2,011,207	0.7%
City Manager's Office	14,648,725	5.2%
Civil Service	1,145,316	0.4%
Communications	1,688,032	0.6%
Development Services	3,181,633	1.1%
Finance	3,142,875	1.1%
Fire	73,219,680	25.9%
Housing & Neighborhood Development	336,718	0.1%
Human Resources	3,538,354	1.3%
Information Technology	12,565,118	4.4%
Maintenance & Operations	9,036,859	3.2%
Municipal Court	10,793,778	3.8%
Parking & Code Enforcement	2,262,821	0.8%
Parks & Recreation	17,752,149	6.3%
Police	106,327,661	37.7%
Public Safety Dispatch	8,673,844	3.1%
Public Works	2,158,143	0.8%

General Fund Resources Summary

	2022 Actual	2023 Actual	2024 Amended Budget	2024 Estimated	2025 Projected
Beginning Fund Balance	51,289,698	41,254,404	48,218,823	48,218,823	41,682,039
REVENUES					
Consolidated Tax	94,501,974	93,449,652	99,100,000	99,100,000	103,064,000
Property Taxes	65,601,314	70,905,726	75,940,375	76,160,375	81,855,903
Fees - Licenses & Permits	57,793,357	68,886,557	66,328,031	70,542,595	72,848,165
Intergovernmental Revenue	15,079,391	14,524,503	19,747,983	17,355,587	14,195,000
Charges for Services	15,282,721	20,807,804	19,387,949	23,293,713	25,753,415
Fines & Forfeits	3,100,302	3,383,687	3,310,549	3,382,906	3,348,000
Special Assessments	2,778,087	3,033,321	3,675,282	3,675,282	3,785,212
Miscellaneous	3,412,399	3,379,353	4,399,923	4,500,988	2,881,000
Other Financing Sources					
Personal property sales/disposal	-	29,202	-	-	-
Cap Asset disposal gain/loss	19,558	31,515	-	15,224	-
Transfer From Room Tax Fund	1,650,000	2,780,000	3,025,000	3,025,000	2,700,000
Other Transfers	136,000	136,000	136,000	136,000	136,000
Transfer from Capital Tax Fund	-	-	605,000	605,000	605,000
Transfer from ARPA Fund	-	-	5,212,312	5,212,312	-
Proceeds short term debt	1,135,680	5,912,631	-	-	-
REVENUE TOTALS	260,490,783	287,259,951	300,868,404	307,004,982	311,171,695
TOTAL REVENUES AND OTHER RESOURCES					352,853,733

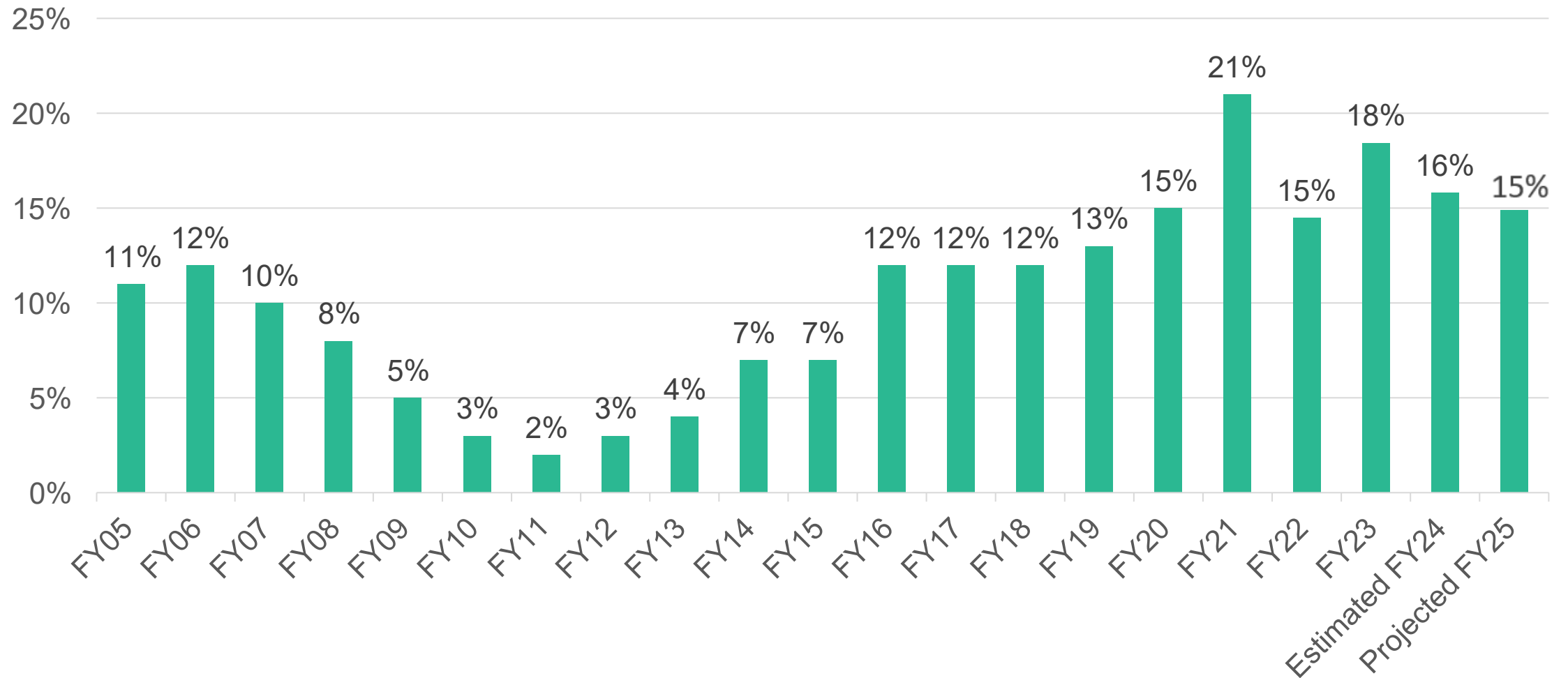
General Fund Uses

	2022 Actual	2023 Actual	2024 Amended Budget	2024 Estimated	2025 Projected
EXPENDITURES					
Salaries & Wages	115,633,568	129,301,462	140,603,486	135,148,919	145,431,718
Employee Benefits	68,238,898	76,316,148	84,711,649	81,790,334	89,247,466
Services and Supplies	44,888,234	57,823,397	64,698,142	62,971,678	63,081,309
Capital Outlay	998,325	1,618,336	5,040,553	4,097,438	-
Debt Service	655,912	688,457	605,701	605,701	605,701
Contingency	-	-	1,000,000	1,000,000	1,000,000
Other Financing Uses					
Transfer to City Debt Service	1,720,835	4,906,133	5,056,505	5,056,505	5,255,501
Transfer to CAC	148,000	147,500	50,000	50,000	50,000
Transfer to Parks Capital Projects	400,000	400,000	700,000	700,000	700,000
Transfer to PW Maintenance Projects	-	836,500	3,940,000	3,940,000	2,000,000
Transfer to PW Capital Projects	22,104,843	4,000,000	400,000	400,000	400,000
Transfer to Fire Apparatus Program	2,748,454	2,748,454	3,720,000	3,720,000	3,400,000
Transfer to Police Capital Project	4,785,000	-	1,500,000	1,500,000	-
Other Transfers	8,196,780	-	61,191	61,191	-
Trsf to Grant Capital Projects	7,228	9,145	-	-	-
Transfer to Moana Pool Project	-	1,500,000	2,500,000	2,500,000	-
Additional Transfer to Capital Projects				10,000,000	
EXPENDITURE TOTALS	270,526,077	280,295,532	314,587,227	313,541,766	311,171,695
Ending Fund Balance	41,254,404	48,218,823	34,500,000	41,682,039	41,682,039
TOTAL EXPENDITURES AND OTHER USES					352,853,733
% Fund Balance				15.8%	14.9%

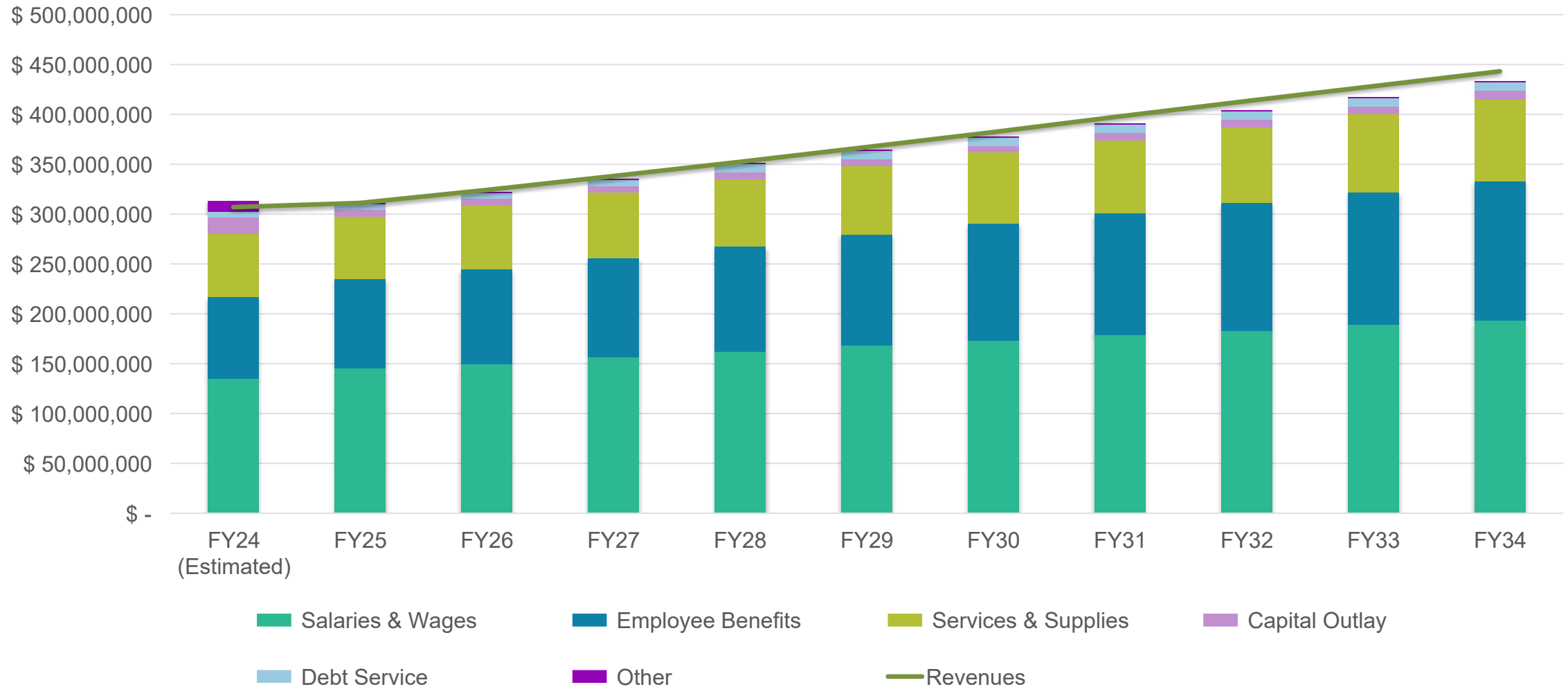


General Fund – Fund Balance History

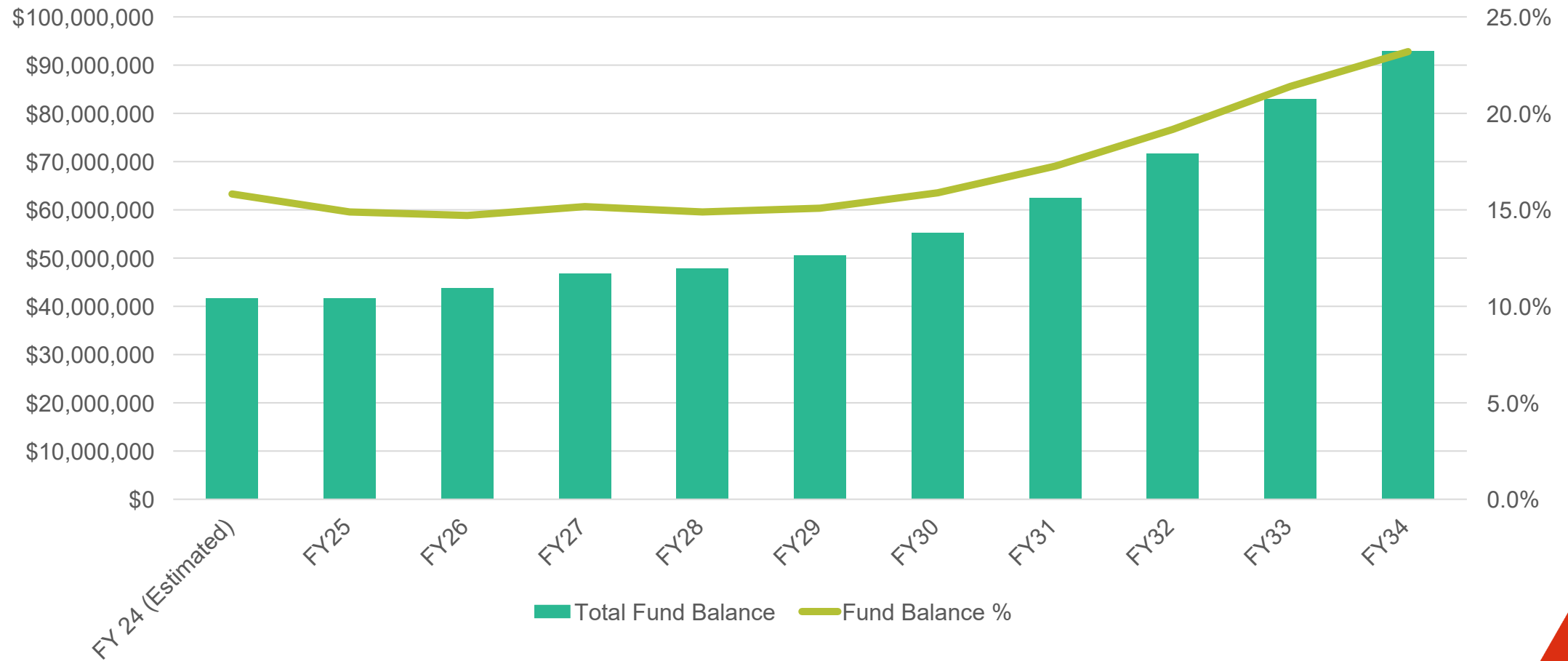
% of Unassigned Fund Balance



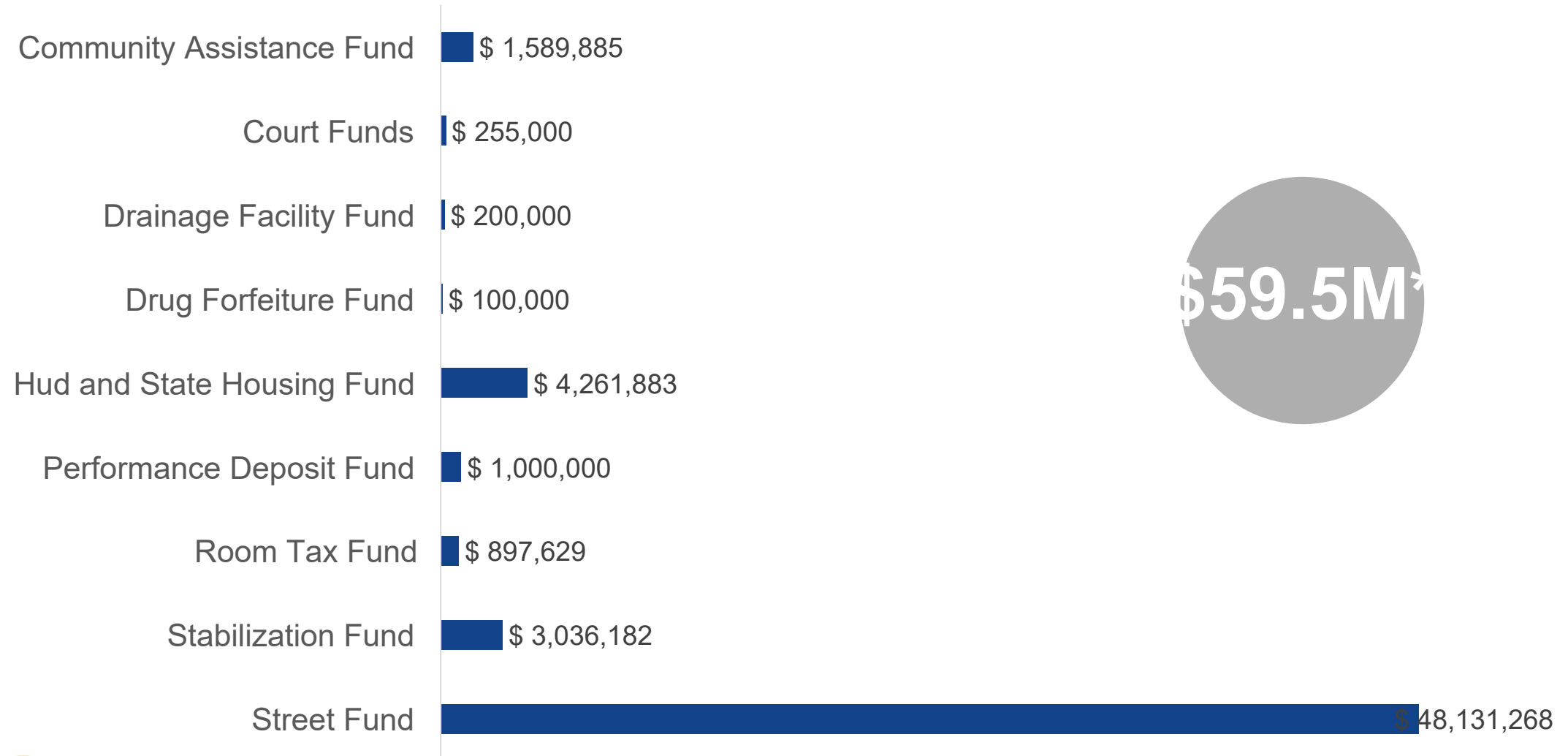
General Fund 10-Year Forecast



General Fund 10-Year Forecast



FY 2024/2025 Special Revenue Funds



Special Revenue Fund - Streets

The Street Fund is a Special Revenue Fund, meaning that the use of the funds is restricted to a specific purpose by law.

STREET FUND



69%

Property Taxes



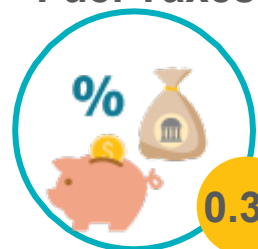
21%

Intergov - Fuel Taxes



10%

License & Permits



0.3%

Miscellaneous

\$37^M

Total revenue

41.1%

Capital Projects

Public Works

15.6%

Traffic Engineering

Public Works

12.8%

Pavement Maintenance

Maintenance & Operations

12%

Administration

Maintenance & Operations

Public Works

7.8%

Non-

Departmental

Public Works

5.6%

Paint & Sign

Maintenance & Operations

4.5%

Street Sweeping

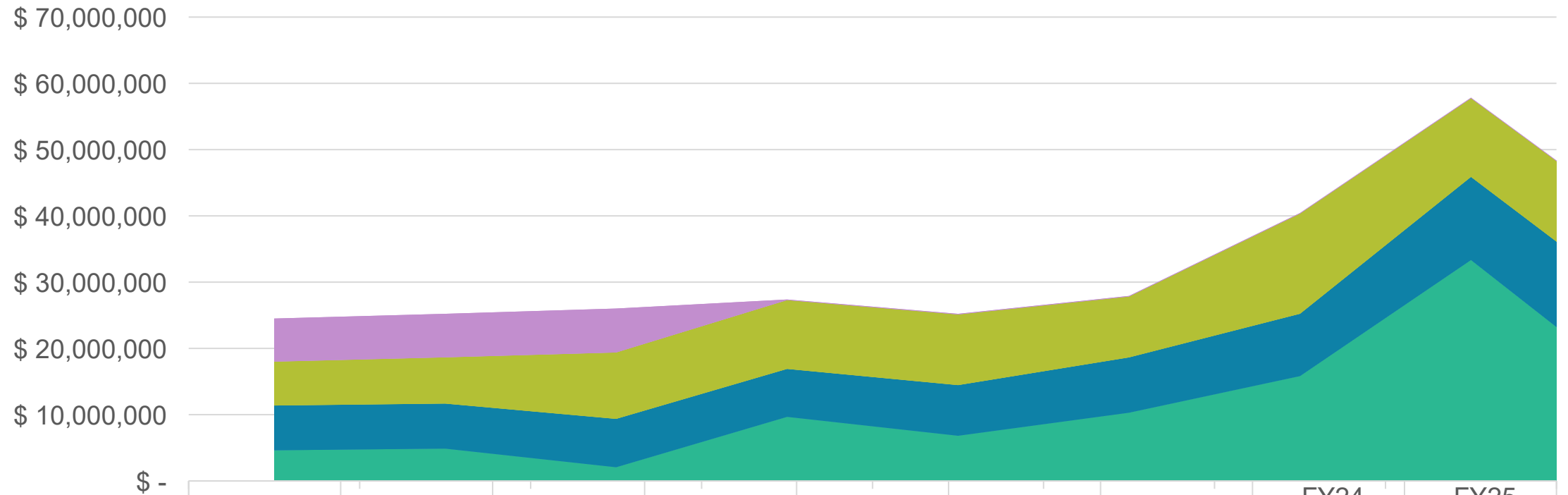
Maintenance & Operations

0.6%

Snow & Ice Removal

Maintenance & Operations

Street Fund History



	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Estimated	FY25 Projected
Capital Outlay	4,627,071	4,882,769	2,071,353	9,675,516	6,822,632	10,304,330	15,829,593	33,345,626	13,120,000
Salaries & Benefits	6,753,441	6,791,351	7,293,493	7,229,131	7,637,421	8,338,678	9,397,179	12,536,269	13,232,796
Services & Supplies	6,621,157	6,975,508	10,018,562	10,384,415	10,661,571	9,183,635	15,115,334	11,865,339	12,435,799
Other financing uses	6,504,500	6,570,250	6,631,500	90,000	96,542	90,000	90,000	90,000	90,000

Special Revenue Fund – Room Tax

The Room Tax Fund is a Special Revenue Fund, meaning that the use of the funds is restricted to a specific purpose by law.

ROOM TAX FUND



Room Tax - Council



Room Tax - Parks & Recreation

\$3.3M*
Total revenue



\$3.4M

Arts Commission - \$245K
Lear Theater - \$125K
Keep Truckee Meadows Beautiful - \$20K
Parks Maintenance Support - \$2.1M
Pioneer Center - \$51K
Art in Public Places - \$40K
Special Events Staff Support - \$412K
Special Events Support (Donations/Grants) - \$200K
Public Art Repair & Maintenance - \$200K
Council Projects - \$100K



\$115K

Downtown
Street
Lighting



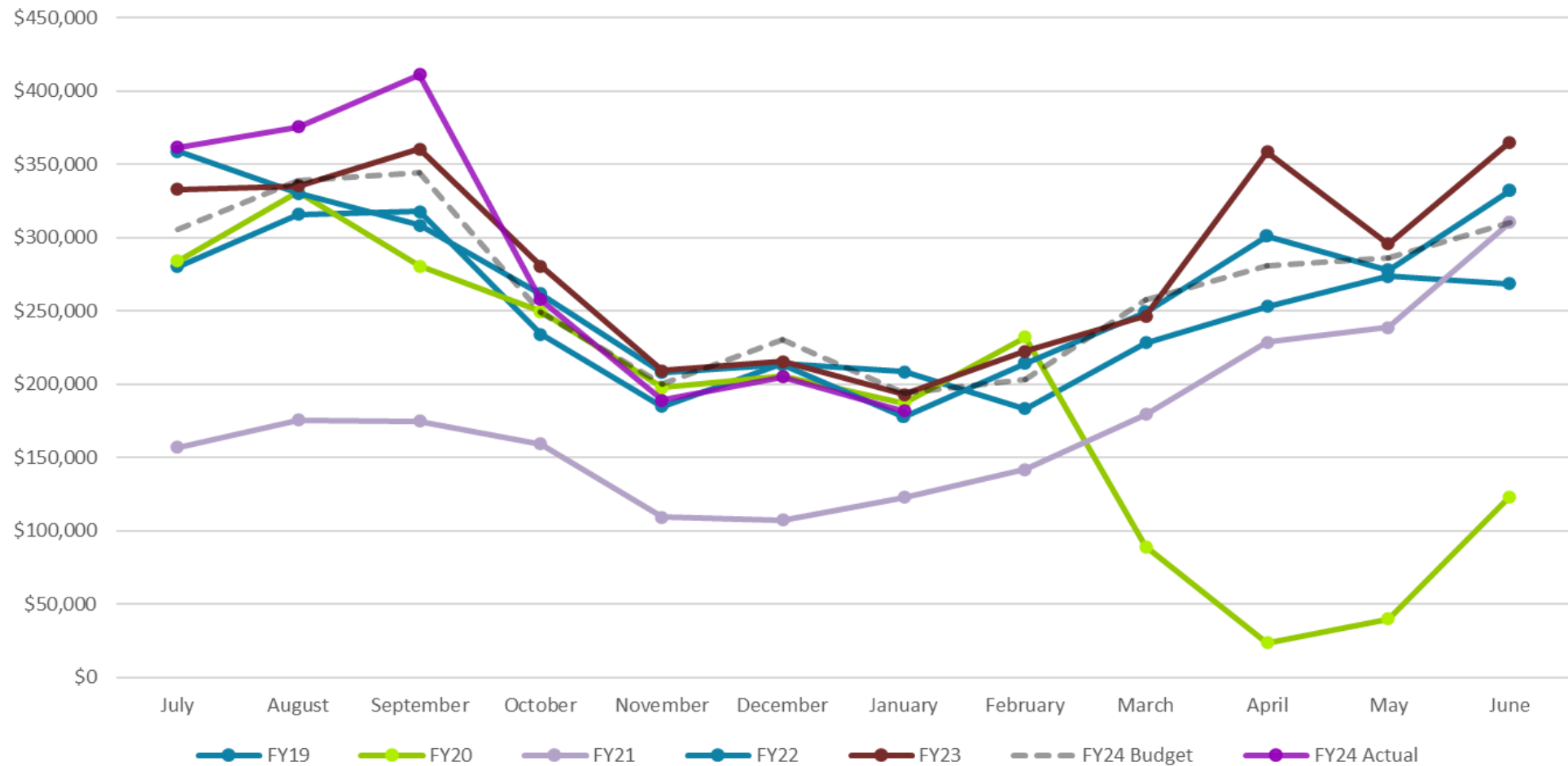
\$16K

Risk Premiums
Indirect Costs

**Expenses by
Council Priority**

*Does not include carry forward

Room Tax History



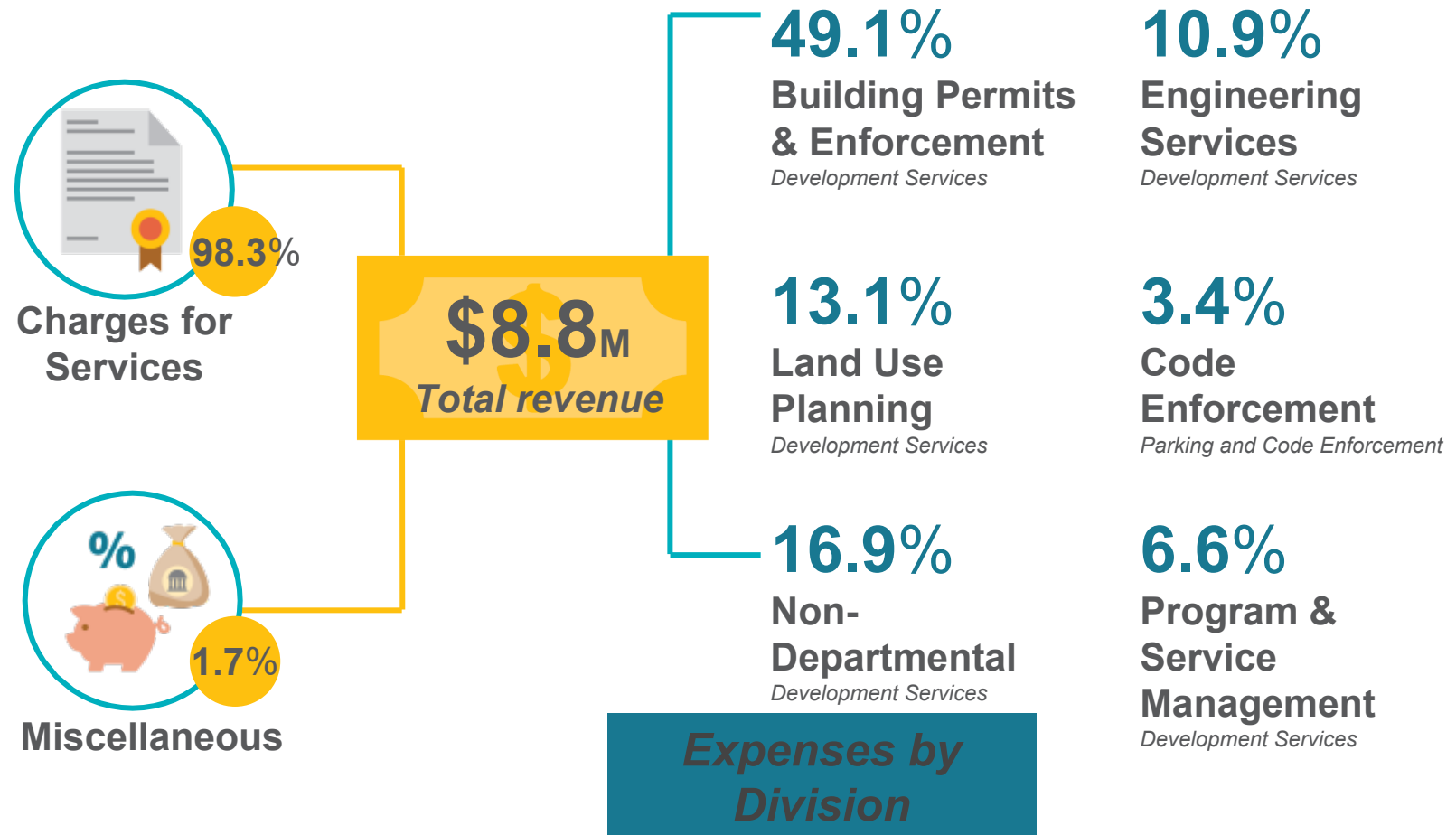
FY 2024/2025 Enterprise Funds



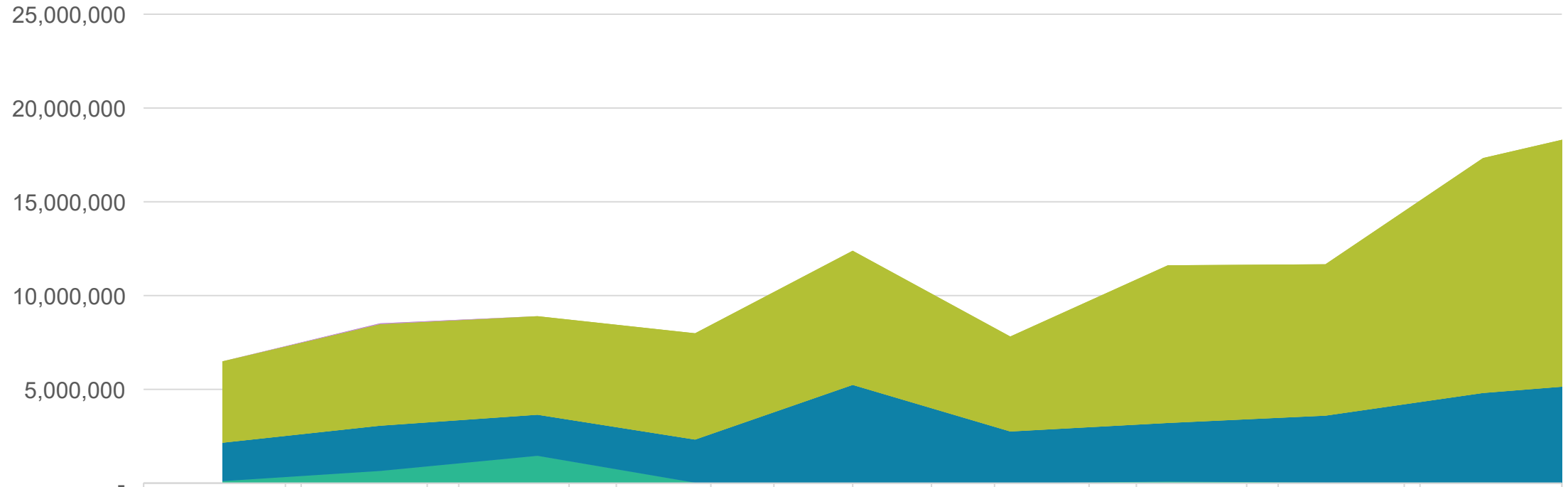
FY Building Enterprise Fund

An Enterprise Fund is utilized to account for operations that behave like a private enterprise. The intent is that the costs of providing the service are financed/recovered by the users of the service.

BUILDING ENTERPRISE FUND



Building Fund History

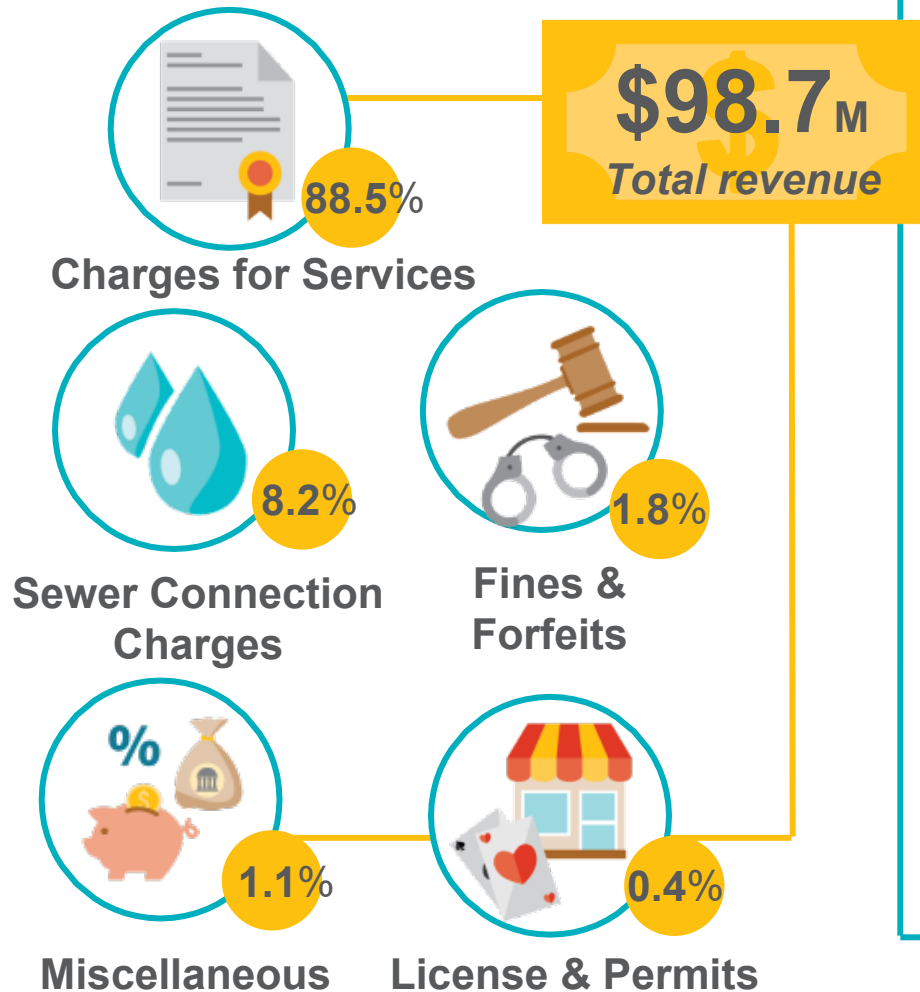


	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Estimated	FY25 Projected
Capital Outlay	110,254	652,731	1,460,997	27,060	-	-	86,741	35,113	40,000	-
Services & Supplies	2,043,493	2,408,500	2,185,740	2,295,036	5,236,998	2,754,621	3,121,823	3,562,782	4,766,730	5,474,618
Salaries & Benefits	4,337,722	5,416,799	5,253,784	5,667,742	7,153,666	5,062,638	8,406,076	8,071,426	12,524,842	13,801,783
Other financing uses	-	41,406	-	-	-	-	-	-	-	-

FY Sewer Enterprise Fund

An Enterprise Fund is utilized to account for operations that behave like a private enterprise. The intent is that the costs of providing the service are financed/recovered by the users of the service.

SANITARY SEWER



59.1%

Sewer Reuse
Utility Services

9.7%

Sewer Lines
Public Works

5.0%

Environmental Engineering
Utility Services

4.2%

Non-Departmental
Other Uses

7.8%

TMWRF Plant
Utility Services

3.8%

Sewer & Drain Maintenance
Maintenance & Operations

2.0%

Debt Service
Finance

3.0%

Engineering & Administration
Public Works & Utility Services

4.0%

Stead Waste Water Plant
Utility Services

0.8%

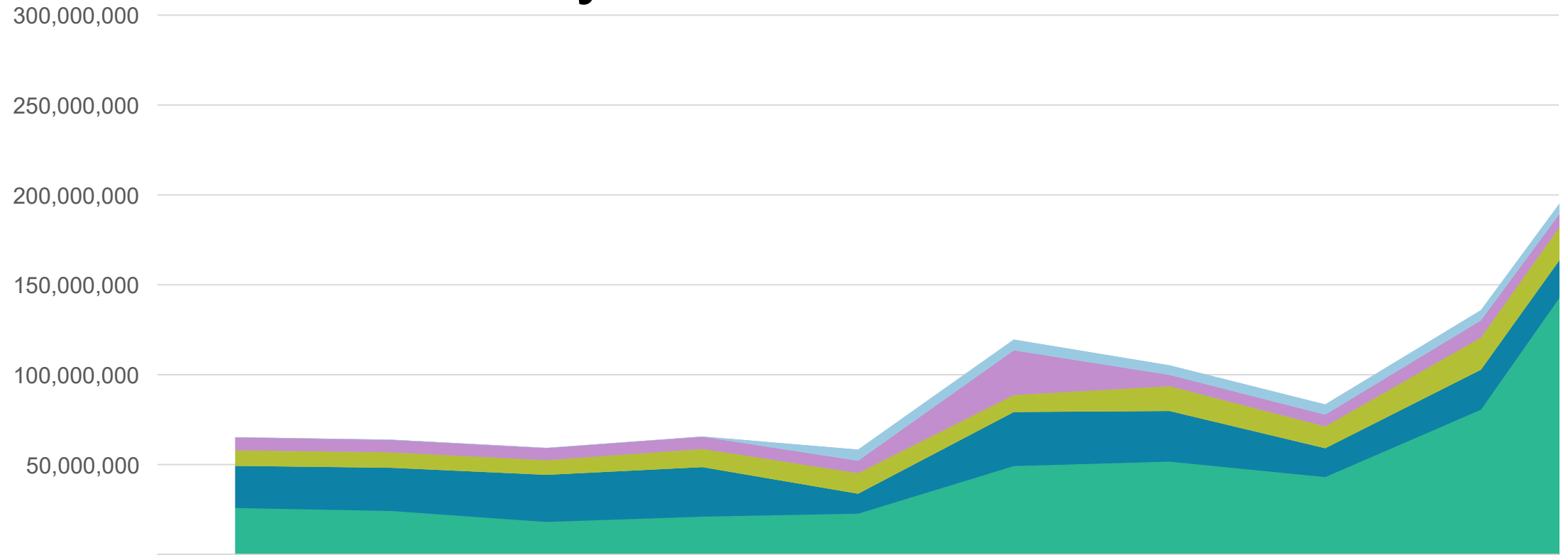
Sewer/Billing Collections
Finance

0.6%

Environmental Control
Utility Services

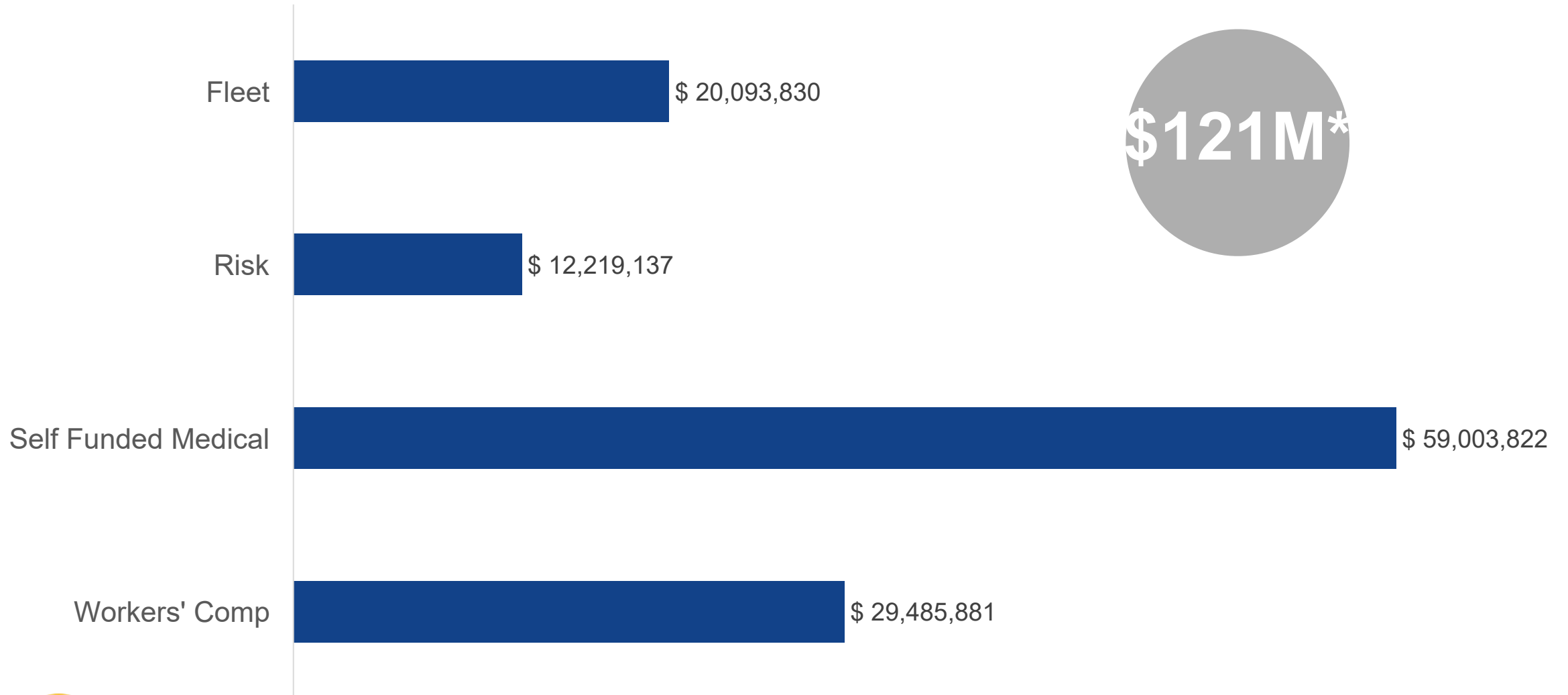
Expenses by Division

Sewer Fund History

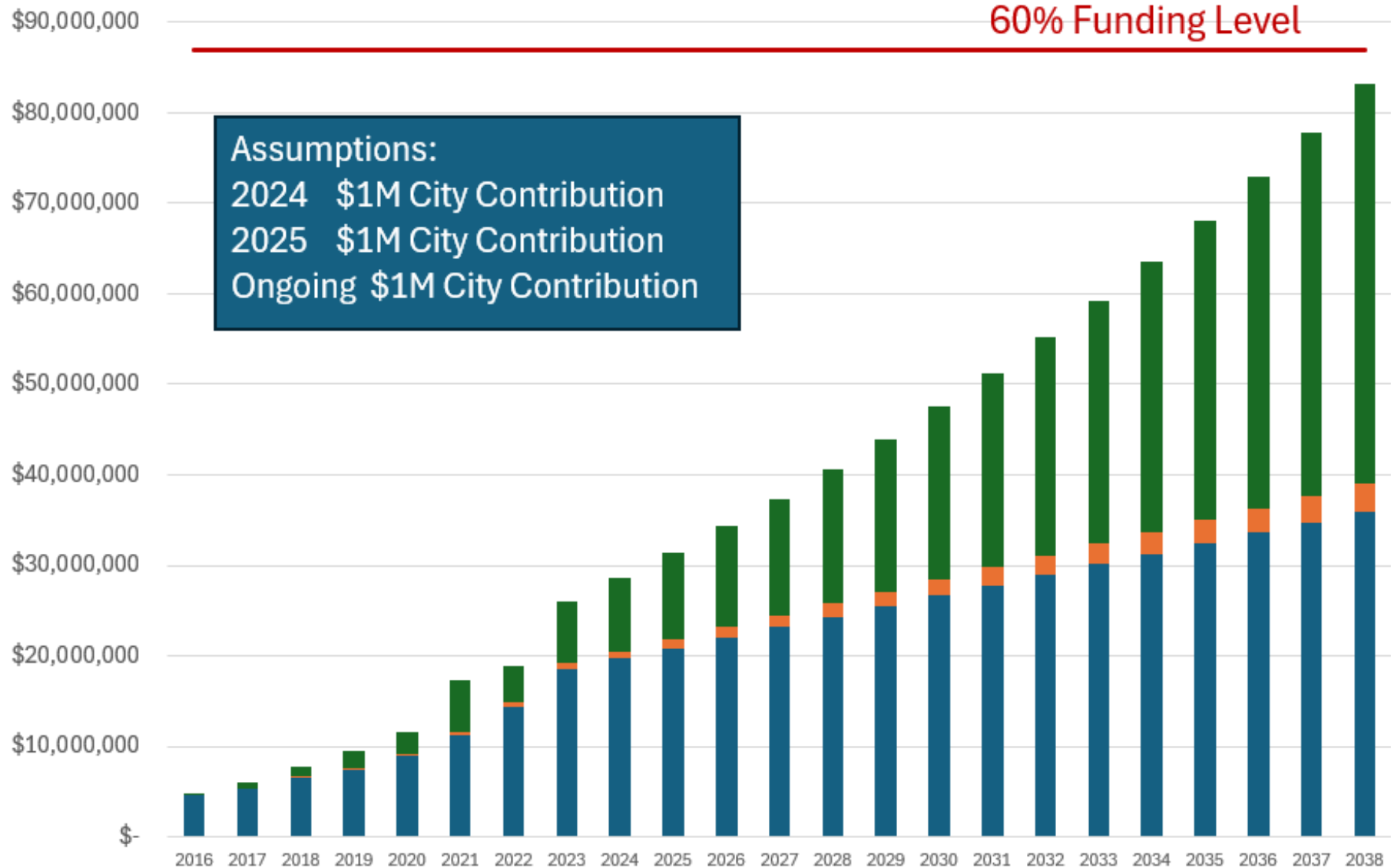


	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Estimated	FY25 Projected
Capital Outlay	25,893,687	24,230,111	18,110,858	21,080,910	22,726,743	49,216,822	51,689,325	43,094,762	80,555,673	204,048,174
Services & Supplies	23,404,984	24,002,260	26,189,304	27,514,719	11,065,919	30,022,928	28,119,417	15,991,456	22,217,237	19,501,879
Salaries & Benefits	8,680,968	8,612,254	8,170,130	10,128,998	11,516,248	9,469,381	13,831,633	12,181,398	17,926,551	18,981,570
Debt Service	7,159,083	6,876,041	6,724,059	6,783,962	6,847,183	24,874,260	6,246,973	6,505,244	9,506,925	5,168,743
Other financing uses	125,146	185,014	125,146	125,146	6,192,317	5,965,514	5,330,973	5,700,612	5,712,000	5,712,000

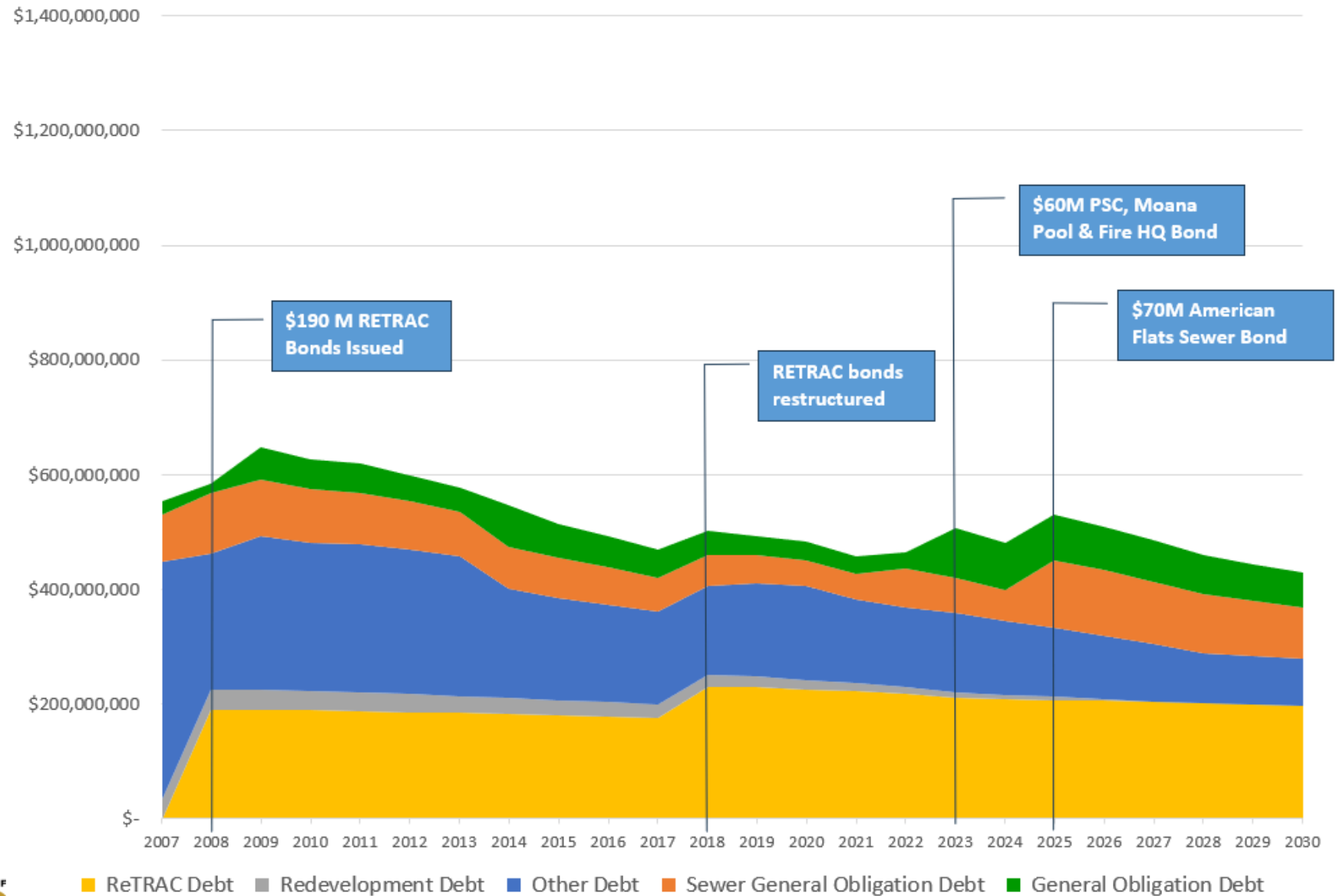
FY 2024/2025 Internal Service Funds



OPEB Trust



Total City of Reno & RDA Debt History



Fee Schedule

- As part of the budget adoption preparation, staff analyzes and updates the City's comprehensive list of fees and charges for services, applying consumer price index (CPI) percentage to applicable fees.
- Not all fees are increased by CPI due to market rates or fees established under Nevada Revised Statutes (NRS).
- After fees are prepared by staff and reviewed by Finance, they are sent to City Boards and Commissions for feedback before presenting to Council for adoption at the public hearing in May.

CPI History

FY19 – 3.1%

FY20 – 3.1%

FY21 – 2.8%

FY22 – 1.5%

FY23 – 7.1%

FY24 – 6.2%

FY25 – 3.6%

Fee Schedule

CPI

- Business Licensing
- City Wide
- Development Services
- Enforcement
- Police*
- Public Works
- Special Events
- Utility Services

*Certain fees set by NRS or FBI

Other

- Municipal Court - no change
- Building Fire – no change
- Fire Prevention Permits – consolidated and simplified many lines
- Parks & Recreation – simplified with consolidation and new fee ranges
- Special Events – New Banner & Signage Permit Fees

Changes per statute, ordinance, or other method

- Building Valuation Table (February 2024 ICC Valuation Table)
- Code Enforcement & Fire RMC fines moved to fee schedule

Fee Schedule

Notable Changes

- CPI Increase as applicable – 3.6%
- Building Valuation Table (February 2024 ICC Valuation Table)
- Parks and Recreation
 - Simplification and grouping of similar fees
 - Utilization of a sliding scale membership program with access to all
 - Expanded discounts
 - Focus on year-round membership
- Code Enforcement
 - Remove fines from R.M.C. and put on fee schedule
 - Adjust most fines by \$10 - \$40
 - Ordinance change would be required
- Fire
 - Remove fines from R.M.C. and put on fee schedule



Coming Up. . .



Recommended Motion

I move to direct staff to move forward with the development of the FY 2024/25 budget and fee schedule based on feedback from the Council.