

## STAFF REPORT

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**Date:** May 22, 2024

**To:** Mayor and City Council

**Through:** Doug Thornley, City Manager

**Subject:** Staff Report (For Possible Action): Public Hearing regarding the City of Reno's tentative budget for fiscal year (FY) 24/25, and approval of a resolution adopting the final budget and fee schedule for the City of Reno, Nevada, for FY 24/25.

**From:** Vicki Van Buren, Director of Finance

**Department:** Finance

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### **Summary:**

Nevada law requires that a public hearing on the City's tentative budget be held no sooner than the third Monday in May and no later than the last day in May and that adoption of the fiscal year (FY) 24/25 final budget by the governing body of the local government occur before June 1, 2024. See Nevada Revised Statute (NRS) 354.596. As part of the budget adoption preparation, staff analyzed and updated the City's comprehensive list of fees and charges for services, applying a 3.6% consumer price index (CPI) increase to applicable fees.

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

Fiscal Sustainability

Public Safety

Arts, Parks, and Historical Resources

Infrastructure, Climate Change, and Environmental Sustainability

Economic Opportunity, Homelessness, and Affordable Housing

Economic and Community Development

### **Previous Council Action:**

There is no recent Council action relevant to this item.

### **Background:**

Council held budget workshops on March 18, 2024, and May 1, 2024. The proposed budget includes current staffing levels, increases for services with existing contract escalations, plus strategic investments in additional staffing and services/supplies. The budget continues to address

long-term liabilities by maintaining the annual funding for the Fleet, Risk, and Workers' Compensation Funds. The budget as presented maintains the General Fund budgeted reserve level at 15%.

**Discussion:**

The FY 24/25 budget has been built according to City fiscal policies as approved by Council. Approximately 59% of Reno's General Fund revenue is derived from Consolidated Tax (CTAX) and Property Tax. The proposed budget reflects growth in CTAX of 4% and Property Tax growth of 9% due to new growth. Twenty-nine (29) new positions are included in the proposed FY 24/25 budget and additional funding is included for historic preservation, parks and recreation operating enhancements, Information Technology (IT) infrastructure replacement, website accessibility, an Americans with Disabilities Act (ADA) consultant, forensics program supplies, diesel exhaust removal system maintenance for fire stations, maintenance and operating expenses for the Public Safety Center and Moana Springs Community Aquatics and Fitness Center, and code enforcement funding for additional after-hours overtime, training, and towing contracts. Changes from the tentative budget to the final budget include refinement of revenues and expenses.

The proposed strategic initiatives that include staffing increases were carefully considered by both staff and Council during the budget workshops. The following are the proposed positions by Council priority for the FY 24/25 Budget:

- Public Safety – 12 new positions
- Arts, Parks & Historical Resources – 8 new positions
- Governance & Organizational Effectiveness – 4 new positions
- Economic Opportunity, Homelessness, & Affordable Housing – 1 new position
- Economic & Community Development – 1 new position
- Maintenance & Operations – 2 new positions
- Public Works – 1 new position

For the FY 24/25 fee schedule, it is recommended that fees be adjusted by CPI to recover costs for most areas, unless indicated. In some cases, CPI was not applied to every fee in order to reflect the market rates or industry standards or as required under NRS. The Building Enterprise fees include an update of the building valuation table.

**Financial Implications:**

Adoption of the final budget for the City of Reno provides the funding for City operations for FY 24/25.

**Legal Implications:**

NRS 354 establishes notice and public hearing requirements that must be satisfied as part of the budget adoption process. Pursuant to NRS 237.060, the City's adoption of the FY24/25 budget is not subject to the "Business Impact Statement" process.

**Recommendation:**

Staff recommends holding the public hearing as required by state law and Council approval of a resolution adopting the FY 24/25 final budget and fee schedule for the City of Reno, Nevada.

**Proposed Motion:**

I move to approve staff recommendation.

**Attachments:**

FY25 Final State Document

Fee Schedule

Resolution Budget FY2425

Tentative Budget -Letter from Dept. of Taxation

Affidavit of Posting