

- D.1 Staff Report (For Possible Action): Financial update presentation and discussion; Resolution to augment the budget of the City of Reno, Nevada, for FY24/25; and approval of budget revisions for the period of January 1, 2025 through March 31, 2025.

STAFF REPORT

Date: April 9, 2025

To: Mayor and City Council

Through: Jackie Bryant, City Manager

Subject: Staff Report (For Possible Action): Financial update presentation and discussion; Resolution to augment the budget of the City of Reno, Nevada, for FY24/25; and approval of budget revisions for the period of January 1, 2025 through March 31, 2025.

From: Vicki Van Buren, Director of Finance
Lynsey Hatfield, Budget Manager

Department: Finance

Summary:

This item includes a financial update and the third quarter augmentation for FY25. As we progress through the fiscal year, it is prudent for the City to review revenues and expenditures to ensure City operations are on track to stay within the approved budget. The City adopts an annual budget each year. The annual budget is the overall plan for City services for the fiscal year. 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 information forwarded to the Nevada Department of Taxation for approval. Augmentations of appropriations of a fund which receives ad valorem taxes must be noticed in the local newspaper prior to Council approval. The Augmentations were noticed as required.

Alignment with Strategic Plan:

Fiscal Sustainability

Previous Council Action:

January 22, 2025 - Council approved budget augmentations/revisions for October 1, 2024 through December 31, 2024

October 23, 2024 - Council approved budget augmentations/revisions for July 1, 2024 through September 30, 2024

May 22, 2024 - Council adopted the FY 24/25 Budget

Background:

The 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 from staff during this process is long-term planning to sustain City operations and meet Council goals. During the year, however, issues 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.

Discussion:**Financial Update**

General Fund revenues over the last decade have been steadily increasing and up until FY25 many sources exceeded original budget forecasts. In FY25, growth has slowed from previous years due to inflation, higher interest rates, and declining consumer confidence. The current year General Fund FY25 budget contains prior year one-time saving of \$8 million to balance the budget. This resulted from labor contract negotiations that were not resolved until after the FY25 budget was adopted. Council approved the use of one-time prior year savings in the amount of \$8 million to cover the gap. The only way to close the gap moving forward is by increased revenues, decreased expenses, and/or a combination of both. Both the City revenues and the expenditures have challenges in the near term that make developing the FY26 budget and subsequent years difficult.

The City's general fund is heavily reliant on consolidated tax (C-Tax) distributions and property tax collections. C-Tax, property tax, and franchise fees account for over 70 percent of the City's general fund revenues collected each year. Each of these sources has specific challenges.

- C-Tax revenues are constrained by a statutory formula. The distribution of C-Tax revenue is driven by the formula rather than by the geographic location where the revenue is collected.
- Property tax collections are capped by statutory limits of 3 percent to 8 percent annual growth, depending on the property type. Additionally, property tax does not reset on sale and is adjusted for depreciation.
- Franchise fees fluctuate based on the weather (electric and gas usage) and also on customer consumption.

Current year General Fund revenues are trending approximately \$9 million under budget. The major revenue source of consolidated taxes is trending flat compared to last year or approximately -5% below budget. The State has encountered problems with their new financial system. Communication has lagged on the breakdown of allocations received from November on. It appears with limited information that receipts are in line with flat growth. The State has communicated that a true-up will occur in March and throughout the remainder of the fiscal year. Franchise fees are trending below budget due to mild weather conditions and changes in consumer consumption. Licenses and permits continue to trend under budget due to declines in

gross receipts which reflect the economy and consumer spending. Property tax is currently trending 1.5% above budget for the year.

For expenditures, changing economic conditions were recognized early in the fiscal year, hiring was slowed, and departments are reducing expenditures and finding savings when possible. The estimated savings in these areas are expected to cover the revenue deficit in the current year and will balance out even, or close to even for the year. Going forward, the slow revenue growth and increased labor costs will create challenges in building the budget. Strategic decisions about the long-term fiscal sustainability of the City will need to be made regarding service levels, maintenance, capital replacement programs, and fund balance reserves.

FY24/25 3rd Quarter Budget Augmentation

General Fund

The additional appropriations to the General Fund included in the proposed augmentation are \$2,001,313. The majority is related to the addition of grants and reimbursements with \$25,279 from EMS billings. Included in the grants and reimbursements are awards to the Parks and Recreation, Police, and Fire Departments.

The City receives and then distributes sales tax allocations for the Freight House and Tessera Districts. These revenues and expenditures are tracked individually and have no fiscal impact to the City's General Fund. A fiscal analysis of these two sales tax sources reflects a current year decline in anticipated revenues. This augmentation includes a true-up to reflect this reduction and both revenues and expenditures have been reduced by half (\$1,000,000 reduction for the Freight House District and \$2,000,000 reduction for the Tessera District). These reductions have no impact on City operations.

Council approved the addition of twenty-four Reno/Tahoe Airport Authority fire personnel and one river ranger, all 100 percent reimbursed to the City, with the second quarter augmentation. The start date for these positions was unknown at that time. That date has been established, and staff has estimated the current year expenses and reimbursements which are included with this augmentation.

Additional staffing changes have been made within the Police Department and the need for a Background Investigations Unit Supervisor was identified. Finance and the City Manager's Office worked with the Police Department to identify a funding plan to cover the anticipated salary and benefit costs of the new addition. This funding plan requires the elimination of two Police Assistant I positions which, when combined, are equal in cost to the Background Investigations Unit Supervisor requiring no fiscal impact to the General Fund for the new position. The addition of this position will allow the department to reassign two Police Officers back into regular rotation who were previously undertaking the workload.

Additional revisions to the General Fund include donations from Council outlined below.

Donating Councilmember	Benefitting Department/Purpose	Donation Amount
Councilmember Taylor	Special Events – Riverwalk Banners	\$1,000
Councilmember Duerr	Capital Projects – Horse Protection Project (fencing)	\$20,000
Councilmember Ebert	Communications – Ward 4 NAB signs	\$143
Councilmember Anderson	Capital Projects – Horse Protection Project (fencing)	\$5,000

Sewer Fund

The additional appropriations to the Sewer Fund included in the proposed augmentation are \$321,559. This recognizes an increase for a United States Department of Agriculture grant for the West Wash Dam project. Council accepted this increase at the Council meeting on February 26, 2025. This augmentation will recognize the increased expenses and anticipated revenue.

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 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:

Attachment A – State Document (detailed schedule of changes)

Attachment B – Resolution

ACCOUNT	2024/2025 REVISED BUDGET	JAN. 1, 2025 THROUGH MARCH 31, 2025 CHANGES	2024/2025 REVISED BUDGET
RESOURCES			
TAXES			
Ad valorem taxes	82,850,984		82,850,984
Other taxes			-
SUBTOTAL - TAXES	82,850,984	-	82,850,984
LICENSES AND PERMITS			
Business licenses and permits			
Business licenses	27,171,247		27,171,247
City gaming licenses	1,605,129		1,605,129
Liquor licenses	2,837,555		2,837,555
Franchise fees			
Electricity	18,994,333		18,994,333
Telephone	2,850,000		2,850,000
Natural gas	7,238,288		7,238,288
Sanitation	7,403,224		7,403,224
Sewer In lieu	4,952,377		4,952,377
Cable television	1,400,000		1,400,000
Non-business licenses and permits	51,050		51,050
SUBTOTAL - LICENSES AND PERMITS	74,503,203	-	74,503,203
INTERGOVERNMENTAL REVENUES			
Federal grants	1,979,200	434,480	2,413,680
State grants	37,951	475,276	513,227
State shared revenues	310,000		310,000
Consolidated Tax Distribution	102,159,200		102,159,200
Sales Tax-Freight House District	6,000,000	(3,000,000)	3,000,000
County gaming licenses	1,200,000		1,200,000
AB 104 Revenue	6,656,000		6,656,000
TMFPD Contract Payment	-		-
Intergovernmental grant, other	38,748		38,748
SUBTOTAL - INTERGOVERNMENTAL	118,381,099	(2,090,244)	116,290,855

CITY OF RENO, NEVADA
GENERAL FUND

ACCOUNT	2024/2025 REVISED BUDGET	JAN. 1, 2025 THROUGH MARCH 31, 2025 CHANGES	2024/2025 REVISED BUDGET
CHARGES FOR SERVICES			
Community Development			
Planning Fees	145,000		145,000
Planning Application Fees	400,000		400,000
Business License Admin Fee	400,000		400,000
Other	102,500		102,500
General Government			
Administration fees	1,105,000		1,105,000
Indirect Cost Reimbursement	10,064,972		10,064,972
TMWA Contract Payments	57,677		57,677
Judicial			
Municipal court service charges	78,490		78,490
Public Safety			
Police service charges	630,000		630,000
Dispatch charges	350,000		350,000
Work Permits	25,000		25,000
Fire service charges	1,262,140		1,262,140
Strike Team & Transport Reimbursements	4,770,519	25,279	4,795,798
Parks and Recreation			
Parks & Recreation Fees	75,000		75,000
Recreation facility/program fees	3,719,882		3,719,882
Swimming Pool Fees	2,169,000		2,169,000
Public Works			
Engineering fees			-
Parking receipts	935,000		935,000
Other Charges for Services			-
SUBTOTAL - CHARGES FOR SERVICES	26,290,180	25,279	26,315,459
FINES AND FORFEITS			
Municipal court fines	1,413,000		1,413,000
Citations-business licensing	35,000		35,000
General government parking ticket fines	500,000		500,000
Administrative code citations	100,000		100,000
Delinquent license fees	1,300,000		1,300,000
SUBTOTAL - FINES AND FORFEITS	3,348,000	-	3,348,000
SPECIAL ASSESSMENTS			
Business Improvement District	3,838,343		3,838,343
SUBTOTAL - SPECIAL ASSESSMENTS	3,838,343	-	3,838,343
MISCELLANEOUS			
Interest earnings	1,500,000		1,500,000
Rents and royalties	177,000		177,000
Reimbursements & restitution	1,688,973	1,049,873	2,738,846
Private grants/donations	150,321	16,404	166,725
Other	4,000		4,000
SUBTOTAL - MISCELLANEOUS	3,520,294	1,066,277	4,586,571
SUBTOTAL REVENUE ALL SOURCES	312,732,103	(998,688)	311,733,415

CITY OF RENO, NEVADA
GENERAL FUND

ACCOUNT	2024/2025 REVISED BUDGET	JAN. 1, 2025 THROUGH MARCH 31, 2025 CHANGES	2024/2025 REVISED BUDGET
OTHER FINANCING SOURCES			
Operating Transfers In			-
Special Revenue Fund			
Room Tax	2,700,000		2,700,000
Stabilization			-
Debt Service Fund			-
City Hall Debt Service Fund	136,000		136,000
SAD Debt Service Funds			-
Fund for Capital Projects			
Capital Projects Fund	525,000		525,000
Proceeds from issuance of debt			-
Sales of general fixed assets			-
Other proceeds-capital leases			-
SUBTOTAL OTHER FINANCING SOURCES	3,361,000	-	3,361,000
BEGINNING FUND BALANCE	56,111,463		56,111,463
TOTAL AVAILABLE RESOURCES	372,204,566	(998,688)	371,205,878

CITY OF RENO, NEVADA
GENERAL FUND

ACCOUNT	2024/2025 REVISED BUDGET	JAN. 1, 2025 THROUGH MARCH 31, 2025 CHANGES	2024/2025 REVISED BUDGET
EXPENDITURES BY ACTIVITY AND FUNCTION			
GENERAL GOVERNMENT			
CITY COUNCIL			
Salaries and Wages	677,947		677,947
Employee Benefits	482,652		482,652
Services & Supplies	813,873	(26,143)	787,730
Capital Outlay	-		-
Activity Subtotal	1,974,472	(26,143)	1,948,329
CITY CLERK			
Salaries and Wages	955,189		955,189
Employee Benefits	507,676		507,676
Services & Supplies	567,284		567,284
Capital Outlay	-		-
Activity Subtotal	2,030,149	-	2,030,149
EXECUTIVE			
CITY MANAGER			
Salaries and Wages	6,304,744	(83,633)	6,221,111
Employee Benefits	3,194,874	(40,350)	3,154,524
Services & Supplies	8,895,485	20,486	8,915,971
Capital Outlay	-		-
Activity Subtotal	18,395,103	(103,497)	18,291,606
FINANCE			
Salaries and Wages	1,667,507		1,667,507
Employee Benefits	879,781		879,781
Services & Supplies	697,432		697,432
Capital Outlay	-		-
Activity Subtotal	3,244,720	-	3,244,720
CITY ATTORNEY			
Salaries and Wages	4,032,546		4,032,546
Employee Benefits	2,002,277		2,002,277
Services and Supplies	390,614	-	390,614
Capital Outlay	-	-	-
Activity Subtotal	6,425,437	-	6,425,437
HUMAN RESOURCES			
Salaries and Wages	2,198,817		2,198,817
Employee Benefits	1,253,527		1,253,527
Services and Supplies	646,477		646,477
Capital Outlay	12,693		12,693
Activity Subtotal	4,111,514	-	4,111,514

CITY OF RENO, NEVADA

GENERAL FUND

ACCOUNT	2024/2025 REVISED BUDGET	JAN. 1, 2025 THROUGH MARCH 31, 2025 CHANGES	2024/2025 REVISED BUDGET
CIVIL SERVICE			
Salaries and Wages	603,787		603,787
Employee Benefits	324,369		324,369
Services and Supplies	207,962		207,962
Capital Outlay	-	-	-
Activity Subtotal	1,136,118	-	1,136,118
TECHNOLOGY			
Salaries and Wages	3,467,661		3,467,661
Employee Benefits	1,812,584		1,812,584
Services and Supplies	9,527,829	292,564	9,820,393
Capital Outlay	-		-
Activity Subtotal	14,808,074	292,564	15,100,638
TOTAL GENERAL GOVERNMENT	52,125,587	162,924	52,288,511
JUDICIAL			
Salaries and Wages	6,143,910		6,143,910
Employee Benefits	3,445,671		3,445,671
Services and Supplies	1,605,989		1,605,989
Capital Outlay	-	-	-
TOTAL JUDICIAL	11,195,570	-	11,195,570

CITY OF RENO, NEVADA
GENERAL FUND

ACCOUNT	2024/2025 REVISED BUDGET	JAN. 1, 2025 THROUGH MARCH 31, 2025 CHANGES	2024/2025 REVISED BUDGET
POLICE			
Salaries and Wages	58,847,291	390,344	59,237,635
Employee Benefits	37,935,690		37,935,690
Services and Supplies	14,019,633	157,597	14,177,230
Capital Outlay	737,192		737,192
Activity Subtotal	111,539,806	547,941	112,087,747
FIRE			
Salaries and Wages	42,365,846	541,409	42,907,255
Employee Benefits	27,702,844	453,318	28,156,162
Services and Supplies	7,224,098	25,279	7,249,377
Capital Outlay	250,000		250,000
Activity Subtotal	77,542,788	1,020,006	78,562,794
Dispatch			
Salaries and Wages	5,874,137		5,874,137
Employee Benefits	2,970,782		2,970,782
Services and Supplies	644,767	85,050	729,817
Capital Outlay	-	-	-
Activity Subtotal	9,489,686	85,050	9,574,736
PUBLIC SAFETY FUNCTION SUB TOTAL	198,572,280	1,652,997	200,225,277
PUBLIC WORKS			
Salaries and Wages	3,536,995		3,536,995
Employee Benefits	1,910,330		1,910,330
Services and Supplies	6,908,895		6,908,895
Capital Outlay	132,000	-	132,000
PUBLIC WORKS FUNCTION SUBTOTAL	12,488,220	-	12,488,220

CITY OF RENO, NEVADA
GENERAL FUND

ACCOUNT	2024/2025 REVISED BUDGET	JAN. 1, 2025 THROUGH MARCH 31, 2025 CHANGES	2024/2025 REVISED BUDGET
COMMUNITY SUPPORT			
Salaries and Wages	4,544,362	93,083	4,637,445
Employee Benefits	2,120,411	54,933	2,175,344
Services and Supplies	1,871,087	(15,786)	1,855,301
Capital Outlay	38,000	16,786	54,786
Activity Subtotal	8,573,860	149,016	8,722,876
COMMUNITY SUPPORT FUNCTION SUBTOTAL	8,573,860	149,016	8,722,876
CULTURE AND RECREATION			
Salaries and Wages	10,672,973	19,030	10,692,003
Employee Benefits	4,534,041	12,949	4,546,990
Services and Supplies	4,257,478	3,429	4,260,907
Capital Outlay	136,488		136,488
CULTURE AND RECREATION FUNCTION SUBTOTAL	19,600,980	35,408	19,636,388
DEBT SERVICE			
Principal	605,701	-	605,701
Interest	-	-	-
Activity total	605,701	-	605,701
INTERGOVERNMENTAL			
Retired Employees Trust	5,500,000	506,109	6,006,109
Services and Supplies	7,939,912	(3,530,142)	4,409,770
Machinery & Equipment	-	-	-
Activity total	13,439,912	(3,024,033)	10,415,879
OTHER USES			
Contingency	693,400		693,400
Operating transfers out			
Community Assistance Fund	50,000		50,000
Street Fund			-
Debt Service Fund	5,255,501		5,255,501
General Capital Project Fund	8,444,376	25,000	8,469,376
Grants Cap Proj Fund			-
TOTAL OTHER USES	14,443,277	25,000	14,468,277
TOTAL EXPENDITURES & OTHER USES	331,045,387	(998,688)	330,046,699
ENDING FUND BALANCE	41,159,179	-	41,159,179
TOTAL GENERAL FUND REQUIREMENT	372,204,566	(998,688)	371,205,878

CITY OF RENO, NEVADA
GENERAL FUND

ACCOUNT	2024/2025 REVISED BUDGET	JAN. 1, 2025 THROUGH MARCH 31, 2025 CHANGES	2024/2025 REVISED BUDGET
REVENUES			
INTERGOVERNMENTAL			
Federal Grants	-		-
Intergovernmental Grants	337,215		337,215
SUBTOTAL	337,215	-	337,215
LICENSES & PERMITS	-	-	-
MISCELLANEOUS			
Interest Earnings	-		-
Private Grants	415,000	42,500	457,500
Reimbursements & restitution	-	-	-
Other Income	1,350,000	-	1,350,000
SUBTOTAL	1,765,000	42,500	1,807,500
OTHER FINANCING SOURCES			
Sale of Capital Assets	-	-	-
Operating Transfers In			
General Fund	8,444,376	25,000	8,469,376
Room Tax Fund	240,000		240,000
Railroad Debt Service Fund			-
Debt Service Fund		-	-
SUBTOTAL	8,684,376	25,000	8,709,376
BEGINNING FUND BALANCE	39,018,092		39,018,092
RESIDUAL EQUITY TRANSFERS	-	-	-
TOTAL RESOURCES	49,467,468	67,500	49,534,968
EXPENDITURES			
GENERAL GOVERNMENT			
Services & Supplies	489,339		489,339
Capital Outlay	951,221		951,221
Activity Subtotal	1,440,560	-	1,440,560
COMMUNITY SUPPORT			
Services & Supplies	227,479		227,479
Capital Outlay	-	-	-
Activity Subtotal	227,479	-	227,479
PUBLIC SAFETY			
Services & Supplies	407,949		407,949
Capital Outlay	12,645,969		12,645,969
Activity Subtotal	13,053,918	-	13,053,918

CITY OF RENO, NEVADA
GENERAL CAPITAL PROJECTS FUND
(30000-30013, 30035-30080,32021)

ACCOUNT	2024/2025 REVISED BUDGET	JAN. 1, 2025 THROUGH MARCH 31, 2025 CHANGES	2024/2025 REVISED BUDGET
PUBLIC WORKS			
Services & Supplies	2,401,500		2,401,500
Capital Outlay	16,679,213	67,500	16,746,713
Activity Subtotal	19,080,713	67,500	19,148,213
CULTURE AND RECREATION			
Services & Supplies	293,232		293,232
Capital Outlay	7,080,212		7,080,212
Activity Subtotal	7,373,444	-	7,373,444
OTHER FINANCING USES			
Operating Transfers Out			
General Fund	336,000		336,000
Street Fund			-
Debt Service Fund	341,616		341,616
Capital Project Funds	-		-
SUBTOTAL	677,616	-	677,616
TOTAL EXPENDITURES & OTHER USES	41,853,730	67,500	41,921,230
ENDING FUND BALANCE	7,613,738	-	7,613,738
TOTAL COMMITMENTS AND FUND BALANCE	49,467,468	67,500	49,534,968

CITY OF RENO, NEVADA
GENERAL CAPITAL PROJECTS FUND
(30000-30013, 30035-30080,32021)

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ACCOUNT	2024/2025 REVISED BUDGET	JAN. 1, 2025 THROUGH MARCH 31, 2025 CHANGES	2024/2025 REVISED BUDGET
<u>OPERATING REVENUES</u>			
Public Works			
Licenses & Permits	383,400		383,400
Charges for services	87,326,242		87,326,242
Fines and Forfeitures	1,775,000		1,775,000
Reimbursement and Restitution			-
Miscellaneous			-
TOTAL OPERATING REVENUES	89,484,642	-	89,484,642
<u>OPERATING EXPENSE</u>			
UTILITY ENTERPRISE			
Salaries & Wages	11,559,493		11,559,493
Employee Benefits	7,839,625		7,839,625
Services & Supplies	25,220,903		25,220,903
Activity subtotal	44,620,021	-	44,620,021
Joint Sewer Plant Expense	19,756,045		19,756,045
Depreciation/amortization	15,000,000		15,000,000
Pension Expense	800,000		800,000
TOTAL OPERATING EXPENSE	80,176,066	-	80,176,066
OPERATING INCOME (LOSS)	9,308,576	-	9,308,576
<u>NONOPERATING REVENUES</u>			
Sewer Connection Charges	8,100,000		8,100,000
Interest earned on investments	1,100,000		1,100,000
Proceeds issuance of debt	70,000,000		70,000,000
Other Income			-
Grants	10,366	321,559	331,925
TOTAL NONOPERATING REVENUES	79,210,366	321,559	79,531,925
<u>NONOPERATING EXPENSES</u>			
Interest expense	748,622		748,622
Bond Issuance Costs			-
Share of net loss - TMWRF	5,600,000		5,600,000
TOTAL NONOPERATING EXPENSES	6,348,622	-	6,348,622
<u>OPERATING TRANSFERS</u>			
In			-
Out	(112,000)		(112,000)
Net Operating Transfers	(112,000)	-	(112,000)
NET INCOME (LOSS)	82,058,320	321,559	82,379,879

CITY OF RENO, NEVADA
SANITARY SEWER FUND
(40000,40001)

ACCOUNT	2024/2025 REVISED BUDGET	JAN. 1, 2025 THROUGH MARCH 31, 2025 CHANGES	2024/2025 REVISED BUDGET
CASH FLOW FROM OPERATING ACTIVITIES:			
CASH INFLOWS:			
Customers	87,326,242	-	87,326,242
Other operating sources	2,158,400	-	2,158,400
CASH OUTFLOWS:			
Cash payments to suppliers for goods & services	(38,947,211)	-	(38,947,211)
Cash payment for interfund employee services	(17,620,705)	-	(17,620,705)
Cash payments for interfund goods and services	(6,029,737)	-	(6,029,737)
Cash paid to interfund employee benefits	(1,778,413)	-	(1,778,413)
Net cash provided by operating activities	25,108,576	-	25,108,576
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
CASH INFLOWS:			
Proceeds of operating loans	-	-	-
Miscellaneous	-	-	-
Operating Transfers-in	-	-	-
Grants	6,669,266	321,559	6,990,825
CASH OUTFLOWS:			
Principal on operating loans	-	-	-
Interest on operating loans	-	-	-
Operating transfers-out	(112,000)	-	(112,000)
Net cash provided by noncapital financing activities	6,557,266	321,559	6,878,825

CITY OF RENO, NEVADA
 STATEMENT OF CASH FLOWS
 SANITARY SEWER FUND
 (40000,40001)

ACCOUNT	2024/2025 REVISED BUDGET	JAN. 1, 2025 THROUGH MARCH 31, 2025 CHANGES	2024/2025 REVISED BUDGET
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
CASH INFLOWS:			
Cash received from connection charges	8,100,000	-	8,100,000
Proceeds Long Term Debt	70,000,000	-	70,000,000
Capital Grants	-	-	-
CASH OUTFLOWS:			
Investment in TMWRF	-	-	-
Acquisition and Construction of Capital Assets	(255,795,836)	(321,559)	(256,117,395)
Principal paid on debt	(4,420,121)		(4,420,121)
Interest paid on debt	(748,622)		(748,622)
Bond Issuance Costs			-
Net cash used for capital and related financing activities	(182,864,579)	(321,559)	(183,186,138)
CASH FLOWS FROM INVESTING ACTIVITIES:			
CASH INFLOWS:			
Sale of investment securities	-	-	-
Interest Earnings	1,100,000	-	1,100,000
CASH OUTFLOWS:			
Cash paid to deferred compensation plans	-	-	-
Net cash used in investing activities	1,100,000	-	1,100,000
Net INCREASE (DECREASE) in cash and cash equivalents	(150,098,737)	-	(150,098,737)
CASH AND CASH EQUIVALENTS AT JULY 1, xxxx	172,491,176		172,491,176
CASH AND CASH EQUIVALENTS AT JUNE 30, xxxx	22,392,439	-	22,392,439

CITY OF RENO, NEVADA
STATEMENT OF CASH FLOWS
SANITARY SEWER FUND
(40000,40001)

ACCOUNT	2024/2025 REVISED BUDGET	JAN. 1, 2025 THROUGH MARCH 31, 2025 CHANGES	2024/2025 REVISED BUDGET
<u>PROPRIETARY FUND</u>			
<u>OPERATING REVENUES</u>			
Charges for services	11,692,063	45,997	11,738,060
Reimbursements and restitution	-		-
TOTAL OPERATING REVENUES	11,692,063	45,997	11,738,060
<u>OPERATING EXPENSE</u>			
<u>PUBLIC WORKS</u>			
Salaries & Wages	1,523,299		1,523,299
Employee Benefits	1,229,422		1,229,422
Services and Supplies	4,298,538		4,298,538
SUBTOTAL	7,051,259	-	7,051,259
Pension Expense	100,000		100,000
Depreciation/amortization	4,100,000		4,100,000
TOTAL OPERATING EXPENSE	11,251,259	-	11,251,259
OPERATING INCOME (LOSS)	440,804	45,997	486,801
<u>NONOPERATING REVENUES</u>			
Interest earned on investments	50,000	-	50,000
Gain (loss) on disposal of asset	-	-	-
Federal Grants	-	-	-
TOTAL NONOPERATING REVENUES	50,000	-	50,000
<u>NONOPERATING EXPENSES</u>			
Interest expense	-	-	-
TOTAL NONOPERATING EXPENSES	-	-	-
<u>OPERATING TRANSFERS</u>			
In	-	-	-
Out	-	-	-
Net Operating Transfers	-	-	-
NET INCOME (LOSS)	490,804	45,997	536,801

CITY OF RENO, NEVADA
FUND INTERNAL SERVICE - MOTOR
VEHICLE DIVISION (50000)

ACCOUNT	2024/2025 REVISED BUDGET	JAN. 1, 2025 THROUGH MARCH 31, 2025 CHANGES	2024/2025 REVISED BUDGET
CASH FLOW FROM OPERATING ACTIVITIES:			
CASH INFLOWS:			
Quasi-External Receipts	11,692,063	45,997	11,738,060
Cash received from other funds for svc	-	-	-
Other operating sources			
CASH OUTFLOWS:			
Cash payments to supplier for goods and services	(3,371,122)	-	(3,371,122)
Cash payment for employee services	(2,416,454)	-	(2,416,454)
Cash payment for interfund good and services	(695,712)	-	(695,712)
Cash payment for interfund employee services	(259,046)	-	(259,046)
Net cash provided by operating activities	4,949,729	45,997	4,995,726
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
CASH INFLOWS:			
Federal Grants	-	-	-
Operating Transfers-in	-	-	-
Operating grants	-	-	-
CASH OUTFLOWS:			
Principal on operating loans	-	-	-
Interest on operating loans	-	-	-
Operating transfers-out	-	-	-
Net cash provided by noncapital financing activities	-	-	-

CITY OF RENO, NEVADA
FUND INTERNAL SERVICE - MOTOR
VEHICLE DIVISION (50000)

ACCOUNT	2024/2025 REVISED BUDGET	JAN. 1, 2025 THROUGH MARCH 31, 2025 CHANGES	2024/2025 REVISED BUDGET
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
CASH INFLOWS:			
Proceeds sale of equipment	-	-	-
Contributed Capital	-	-	-
CASH OUTFLOWS:			
Acquisition, construction or improvements of capital assets	(9,829,771)		(9,829,771)
Lease-Purchase Principle	-	-	-
Lease-Purchase Interest	-	-	-
Net cash used for capital and related financing activities	(9,829,771)	-	(9,829,771)
CASH FLOWS FROM INVESTING ACTIVITIES:			
CASH INFLOWS:			
Sale of investment securities	-	-	-
Interest earnings	50,000	-	50,000
CASH OUTFLOWS:			
	-	-	-
Net cash used in investing activities	50,000	-	50,000
Net INCREASE (DECREASE) in cash and cash equivalents	(4,830,042)	45,997	(4,784,045)
CASH AND CASH EQUIVALENTS AT JULY 1, XXXX	8,718,110		8,718,110
CASH AND CASH EQUIVALENTS AT JUNE 30, XXXX	3,888,068	45,997	3,934,065

CITY OF RENO, NEVADA
FUND INTERNAL SERVICE - MOTOR
VEHICLE DIVISION (50000)

RESOLUTION NO. ____

**RESOLUTION TO AUGMENT THE BUDGET OF THE CITY OF RENO,
NEVADA FOR THE 2024/2025 FISCAL YEAR; AND APPROVAL OF
BUDGET REVISIONS FOR THE PERIOD OF JANUARY 1, 2025
THROUGH MARCH 31, 2025.**

WHEREAS, the resources of certain funds of the City of Reno, County of Washoe, State of Nevada, were budgeted to be the following on January 1, 2025:

General Capital Project Fund	\$49,467,468
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WHEREAS, the resources of certain funds are now determined to be as follows:

General Capital Project Fund	\$49,534,968
------------------------------	--------------

WHEREAS, said resources are as follows:

General Capital Project Fund	Revenues higher than anticipated	\$67,500
	Total	\$67,500

WHEREAS, there is a need to apply these excess proceeds in the above funds; and

NOW THEREFORE, BE IT RESOLVED THAT:

Section 1: The City Council of the City of Reno, Nevada shall augment its 2024/2025 budget by appropriating \$67,500 in the General Capital Project Fund, thereby increasing its appropriations from \$49,467,468 to \$49,534,968 a detailed schedule is attached to this Resolution and by reference is made a part hereof.

Section 2: That staff is hereby directed to file said augmentations with the Department of Taxation, State of Nevada.

Upon motion by Councilmember _____, and seconded by Councilmember _____, the foregoing Resolution was passed and adopted this _____ day of _____, 2025, by the following vote of the Council:

AYES: _____
NAYS: _____
ABSTAIN: _____ ABSENT: _____

APPROVED this _____ day of _____, 2024.

HILLARY SCHIEVE
MAYOR

ATTEST:

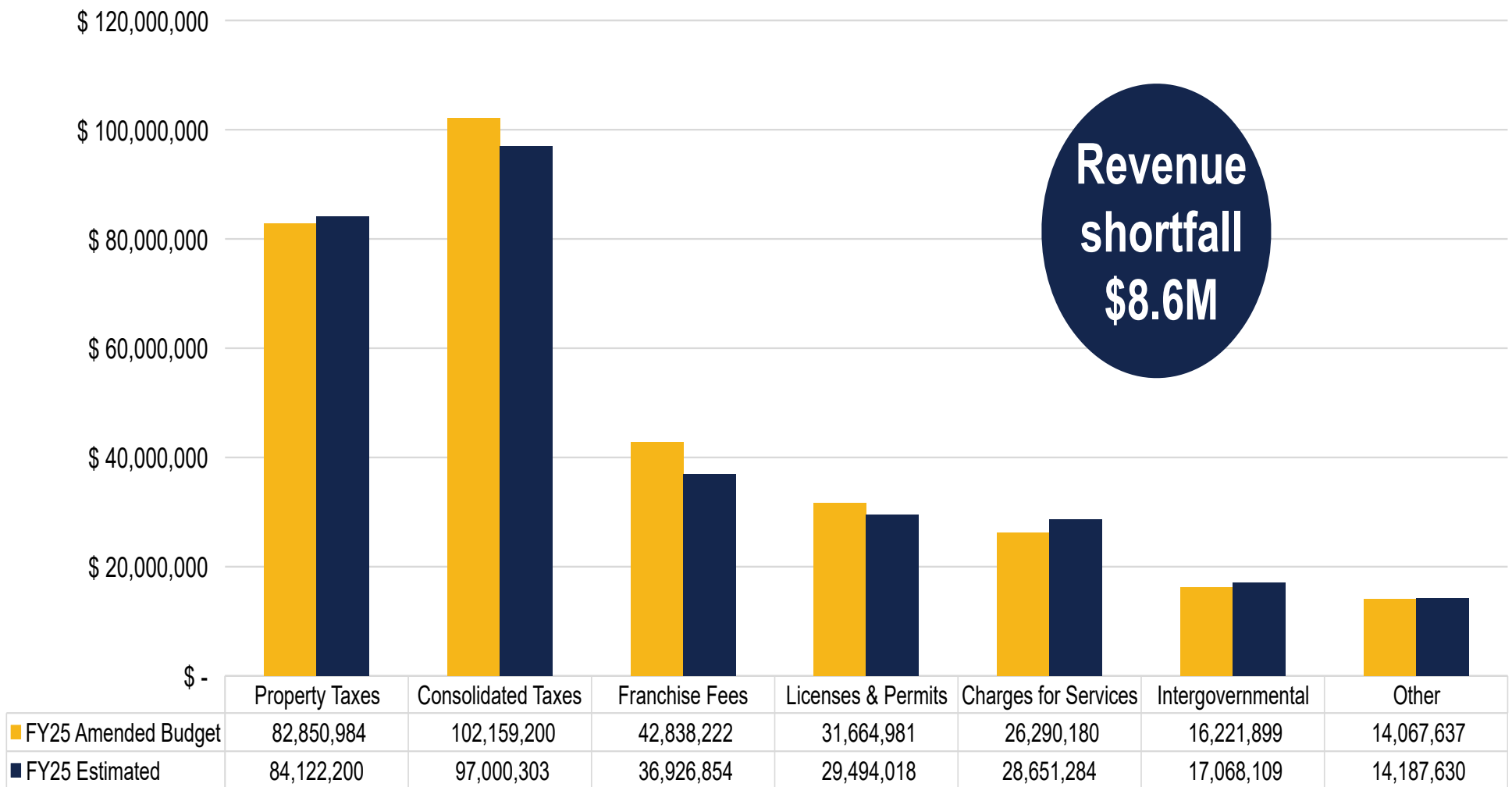
MIKKI HUNTSMAN
CITY CLERK

Financial Update & Augmentation

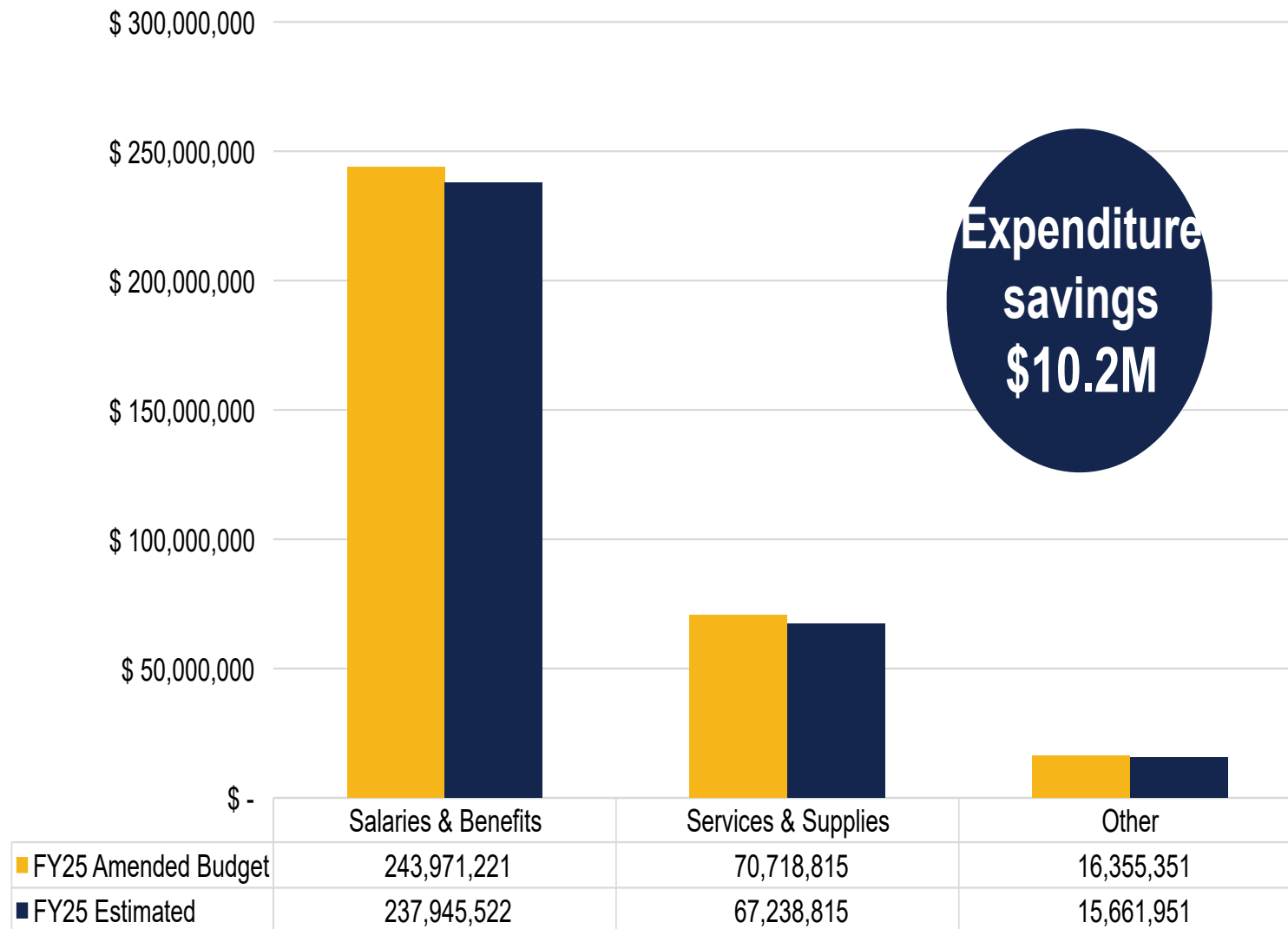
April 9, 2025



FY25 General Fund Revenues



FY25 General Fund Expenses



FY25 General Fund Budget Status

GENERAL FUND REVENUES	FY25 Amended Budget	FY25 Estimated	Compared to Budget (\$)	Compared to Budget (%)	Notes:
Consolidated Tax	\$ 102,159,200	\$ 97,000,303	\$ (5,158,897)	-5.0%	Based on flat growth for FY25
Property Tax	\$ 82,850,984	\$ 84,122,200	\$ 1,271,216	1.5%	Trending 1.5% above budget
Franchise Fees	\$ 42,838,222	\$ 36,926,854	\$ (5,911,368)	-13.8%	Electric, Gas, Telephone, Sanitation, Cable, Sewer
Licenses & Permits	\$ 31,664,981	\$ 29,494,018	\$ (2,170,963)	-6.9%	Business Licenses, Liquor Licenses
Charges for Services	\$ 26,290,180	\$ 28,651,284	\$ 2,361,104	9.0%	Fees for services
Intergovernmental	\$ 16,221,899	\$ 17,068,109	\$ 846,210	5.2%	Includes grants and freight house district passthrough
Fines/Forfeits/SAD/Other	\$ 14,067,637	\$ 14,187,630	\$ 119,993	0.9%	
Total Sources	\$ 316,093,103	\$ 307,450,398	\$ (8,642,705)	-2.7%	Estimated Revenue Shortfall

GENERAL FUND EXPENSES	FY25 Amended Budget	FY25 Estimated	Compared to Budget (\$)	Compared to Budget (%)	Notes:
Salaries & Benefits	\$ 243,971,221	\$ 237,945,522	\$ (6,025,699)	-2.5%	Savings from vacancies
Operating Expenses	\$ 70,718,815	\$ 67,238,815	\$ (3,480,000)	-4.9%	Savings based on current usage
Debt Service	\$ 5,861,202	\$ 5,861,202	\$ -	0.0%	Fire Apparatus, Public Safety Center, Moana Pool
Capital	\$ 9,750,749	\$ 9,750,749	\$ -	0.0%	Fire Apparatus, Building Maintenance, Parks, IT
Other/Contingency	\$ 743,400	\$ 50,000	\$ (693,400)	-93.3%	Savings from Contingency
Total Uses	\$ 331,045,387	\$ 320,846,288	\$ (10,199,099)	-3.1%	Estimated Budget Savings

Estimated Difference FY25 \$ 1,556,394



FY26 Budget Development Overview

- Baseline budget with current staffing levels and operating costs
- Revenue forecasts impacted by slowing of the economy –overall economic uncertainty
- Consolidated Tax estimated flat for FY25 and 2% growth for FY26
- Limited information on Consolidated Tax at this time due to a software change at the State level; true-up to occur in March
- Property Tax trending 1.5% above budget for FY25
 - Final FY26 Projected Property Tax from State 6% increase
(difference of -\$1.6M from original estimate)

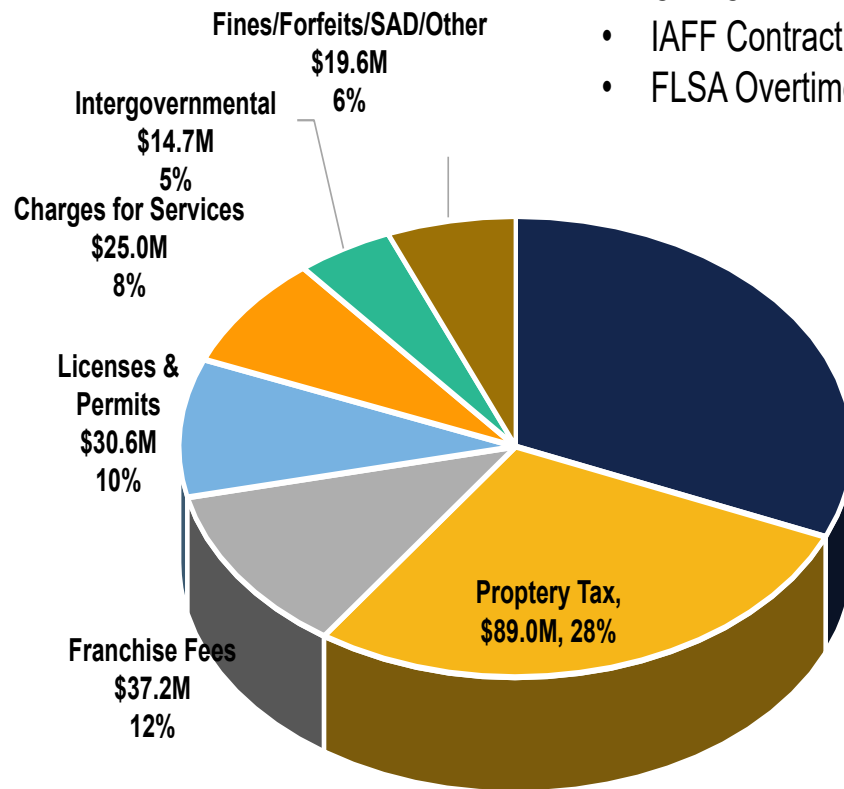


FY26 Projected General Fund Budget Gap

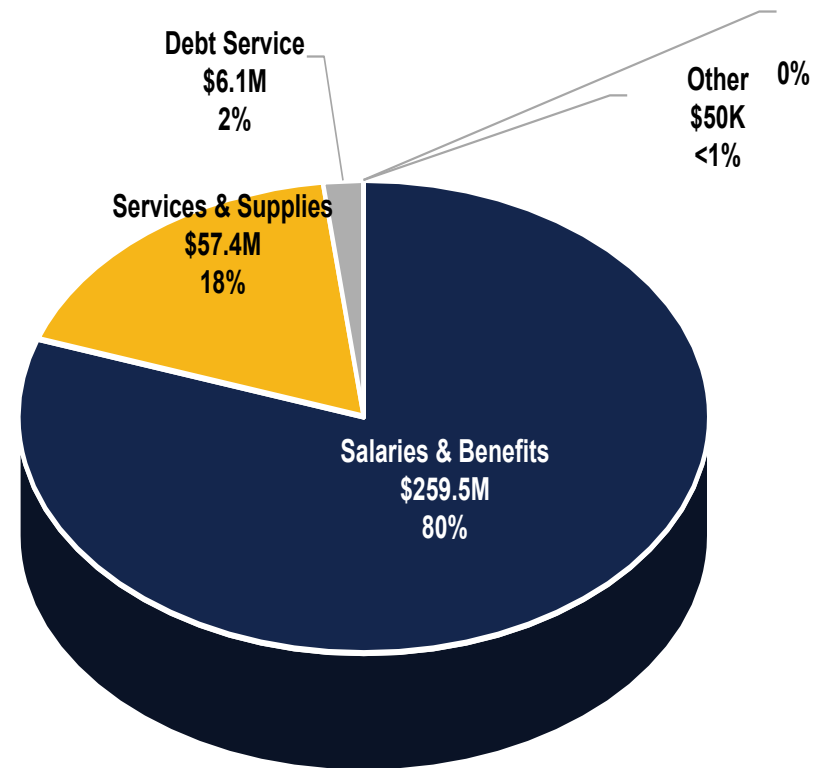
Projected Budget Gap ~ \$25.6M

Impacts not addressed yet:

- CBA Contract Reopeners (\$ unknown)
- IAFF Contract (\$ unknown)
- FLSA Overtime (\$ unknown)



Projected Revenues
\$315.1 M



Projected Expenses
\$340.7 M

*Including Transfers
Excluding Fund Balance

How do we address the projected FY26 funding gap?

\$4M Reduction to Operating Expenses

- \$3M - Reduce department services & supply budgets by 5%
- \$1M - Eliminate Contingency

\$16.4M in One-time funds

- \$1.5M - Use SAD Excess Funds
- \$735K - Use Property Sales
- \$3M - Use One-time Capital Funds
- \$3.4M - Eliminate Annual Capital Funds
- \$4M - Reduce Fleet Replacement Funds
- \$1M - Reduce Workers' Comp Funding
- \$2.8M - Use Fund Balance

\$5.3 Remaining Gap (\$3.7M + \$1.6M)

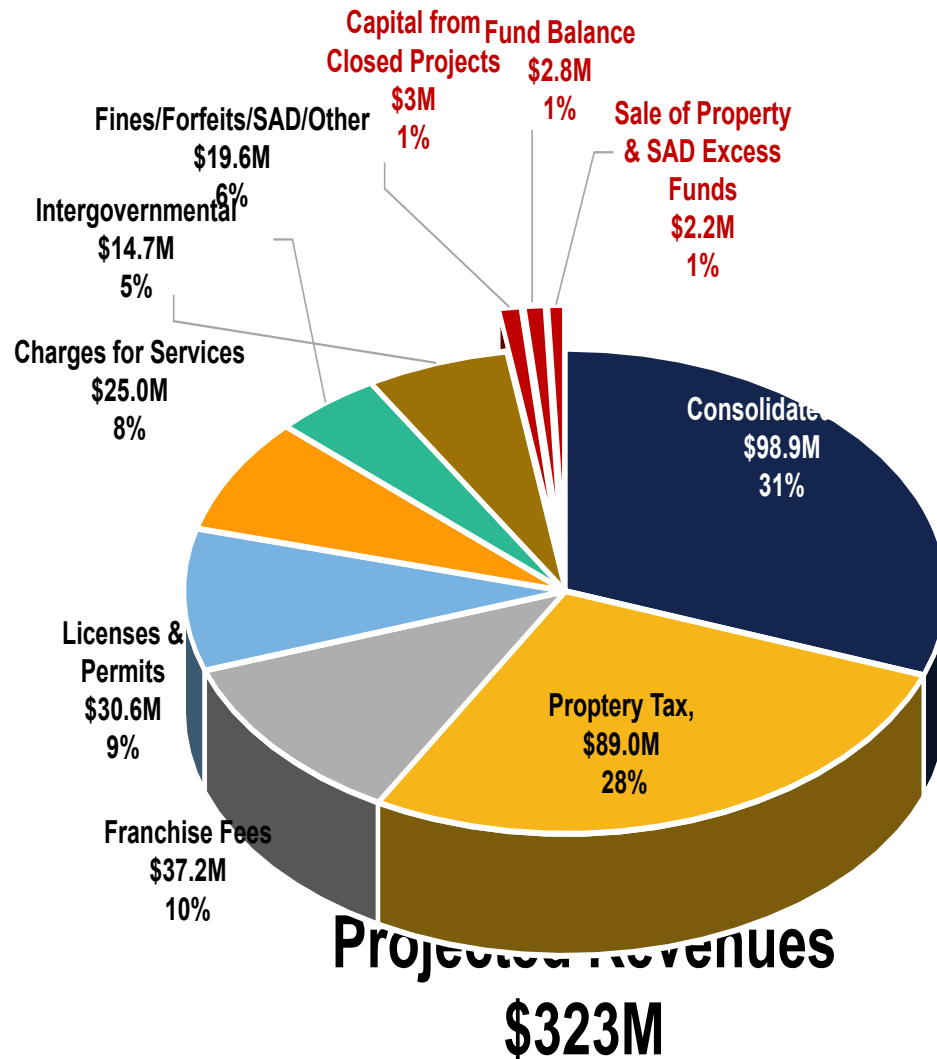
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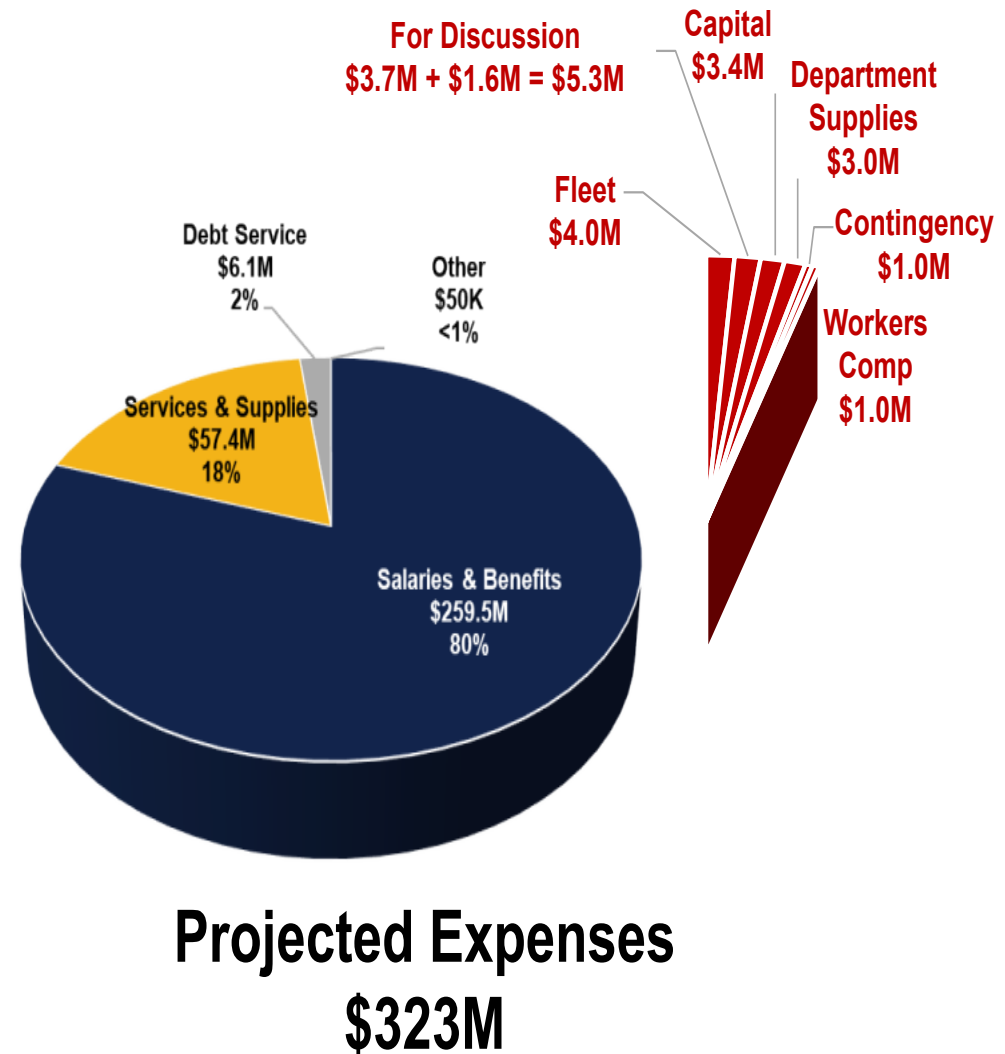
\$25.6M

FY26 General Fund with Proposed Solutions

\$8M ONE-TIME Funds



\$17.6M Reductions



*Including Transfers
Excluding Fund Balance

How do we address the remaining projected gap?

\$5.3 Remaining Gap (\$3.7M + \$1.6M)

- \$3.2M - 20 Positions identified to freeze
- \$700K - Memberships, Council discretionary funds, Boards & Commissions, and changes in funding sources
- \$1.4M - Roll forward FY25 savings

FY26 Additional Proposed Solutions

\$5.3 Remaining Gap (\$3.7M +\$1.6M)

From Funding Source	To Funding Source	Transaction Type	Amount	Solution
Room Tax	General Fund	Transfer	150,900	Increase Special Events Support From Room Tax
General Fund	RDA Fund	Transfer	100,000	Cover EDAWN Payment with RDA Funds
General Fund	--	Reduction	3,200,000	Defund Frozen Positions
General Fund	--	Reduction	1,400,000	Roll Over FY25 Potential Expenditure Savings
General Fund	--	Reduction	175,000	Reduce Council Discretionary Funds by \$25,000 Each
General Fund	--	Reduction	69,855	Cancel NV & National League of Cities
General Fund	--	Reduction	64,000	Discontinue Arts & Culture Community Grants
General Fund	--	Reduction	44,733	Reduce Economic Development Funds
General Fund	--	Reduction	40,000	Reduce Senior Citizen Advisory Board Committee Funding

FY26 Frozen/Unfunded Positions

\$3.2M
Savings from
unfunded
positions

Department	Position
City Clerk	Management Assistant
City Clerk	Records Systems Manager
HR	Director of Human Resources
HR	Human Resources Business Partner
HR	Human Resources Technician
Code Enforcement	Code Enforcement Officer II
Police	Police Officer
Police	Police Officer
Police	Police Officer
Police	Police Officer
Police	Police Officer
Police	Police Officer
Public Works	City Surveyor
Parks & Recreation	Office Assistant II
Parks & Recreation	Recreation Manager
Parks & Recreation	Recreation Leader
Council Relations	Community Liaison
Development Services	Management Analyst
Development Services	Associate Planner Specialist
Development Services	Management Assistant

– Room Tax – \$3.2M

Expenses

Fund

Revenue*

Revenues
split 50/50

**Room Tax –
Council**

50.0%

**Room Tax –
Parks & Rec**

50.0%

Arts, Parks, and Historical Resources

\$1.7M Parks Maintenance
\$300K Council Support

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\$610K Arts & Culture
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Debt Payment

\$20K Keep Truckee
Meadows Beautiful

Infrastructure, Climate
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Sustainability

\$115K –Downtown Street
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Governance & Organizational
Effectiveness

\$6K – Risk Premiums
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FY25 Q3 Update

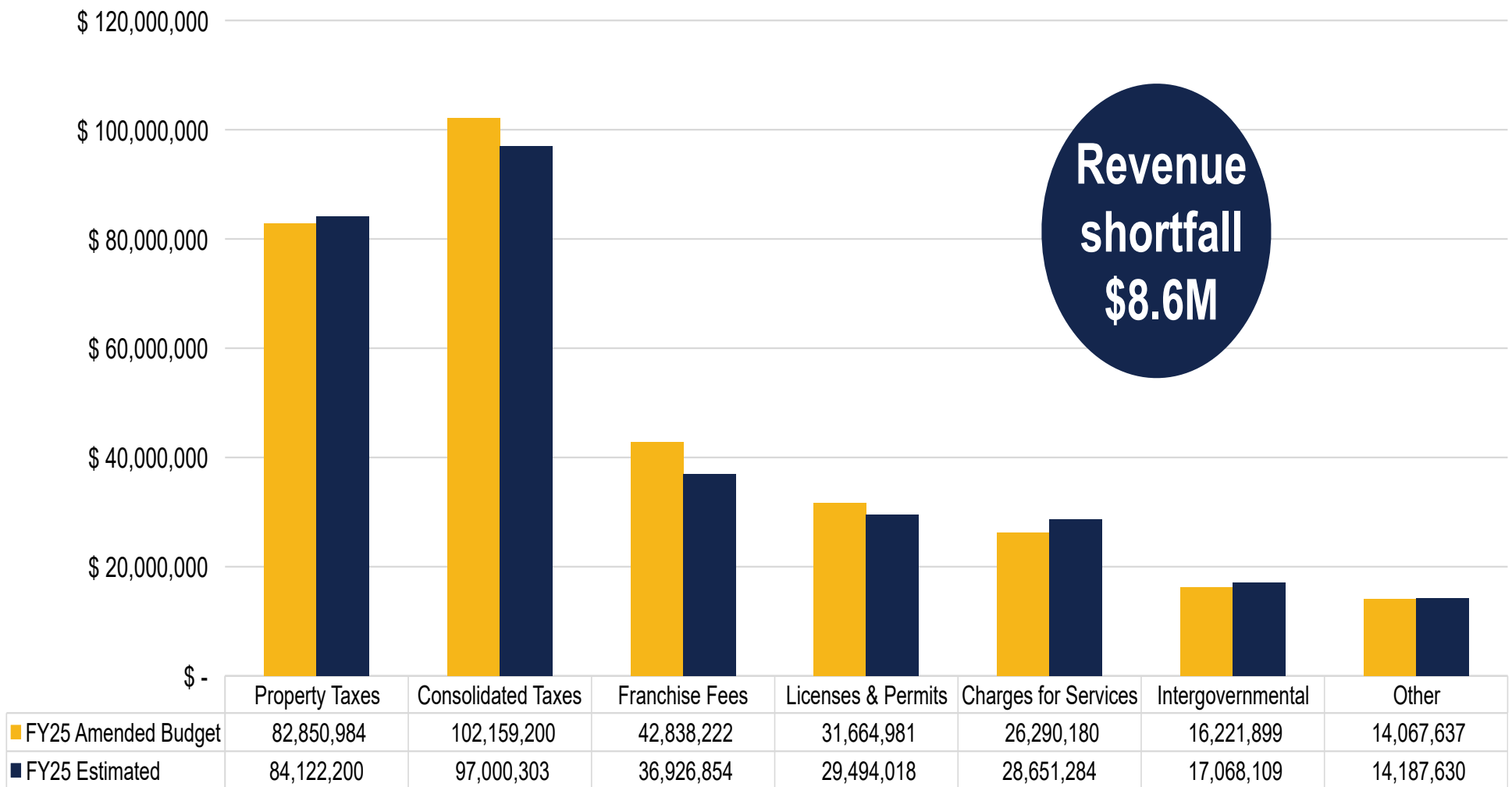
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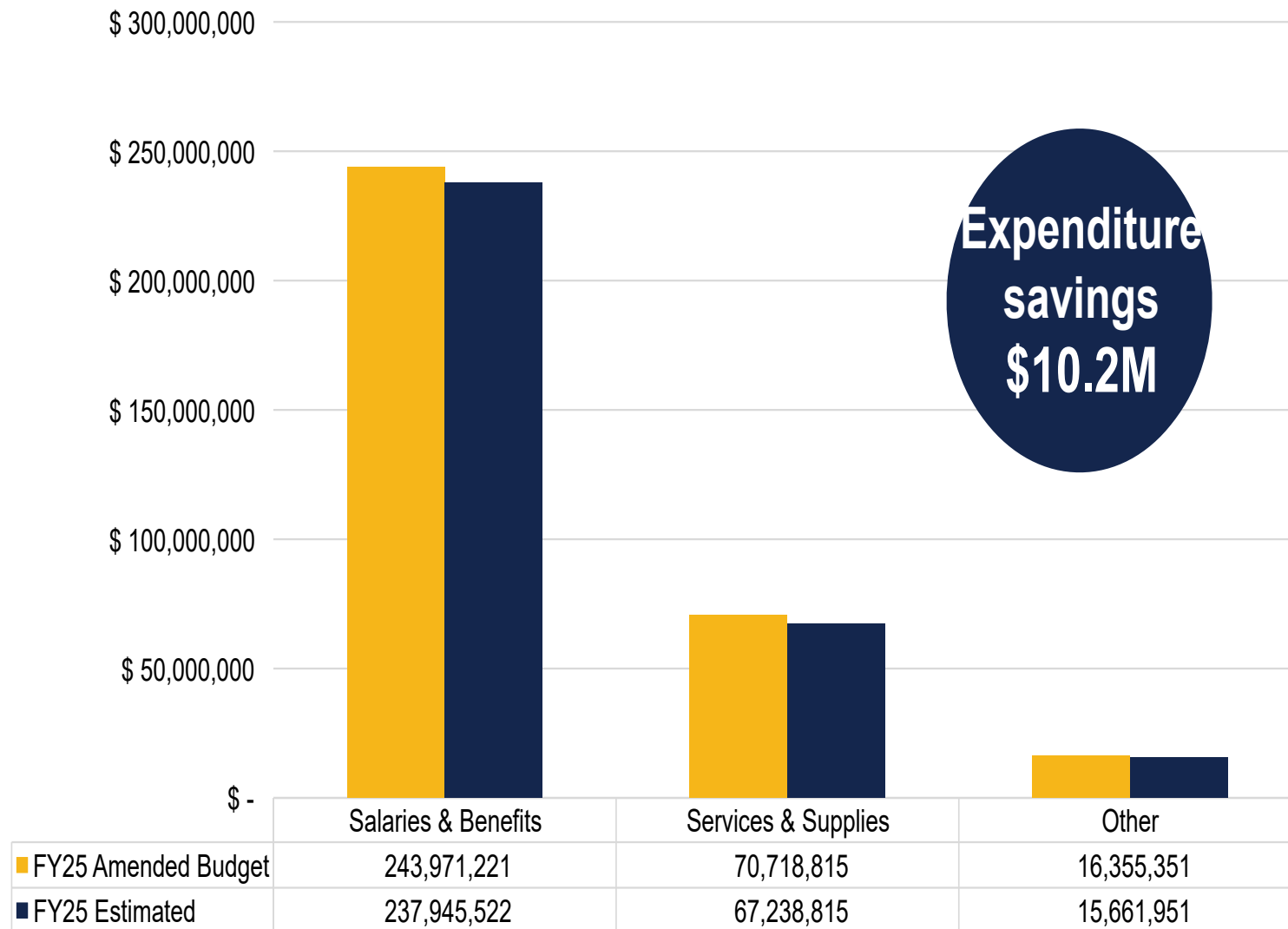
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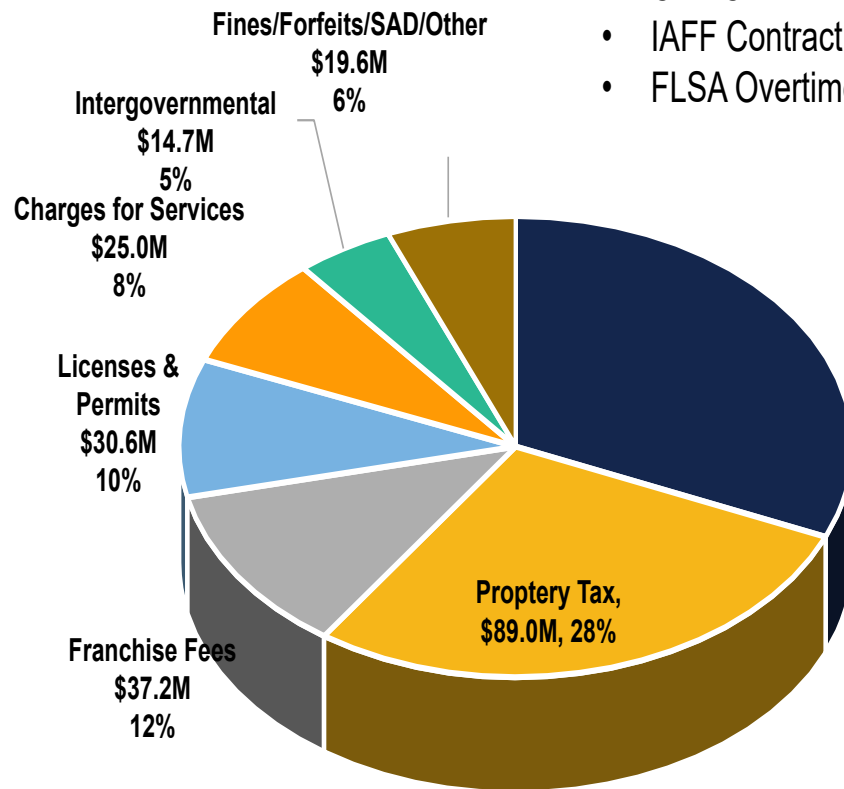


FY26 Projected General Fund Budget Gap

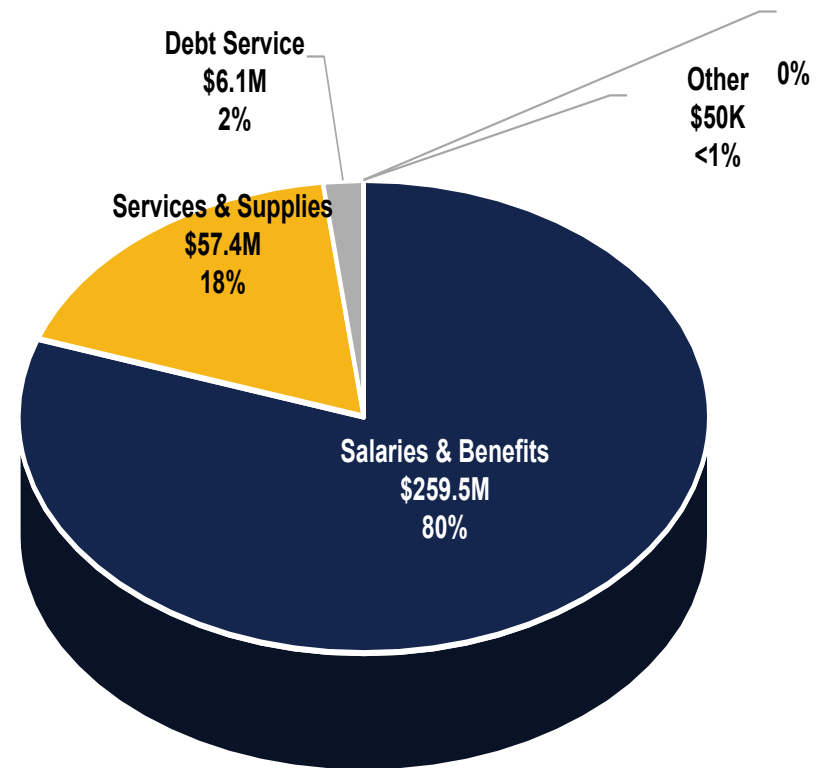
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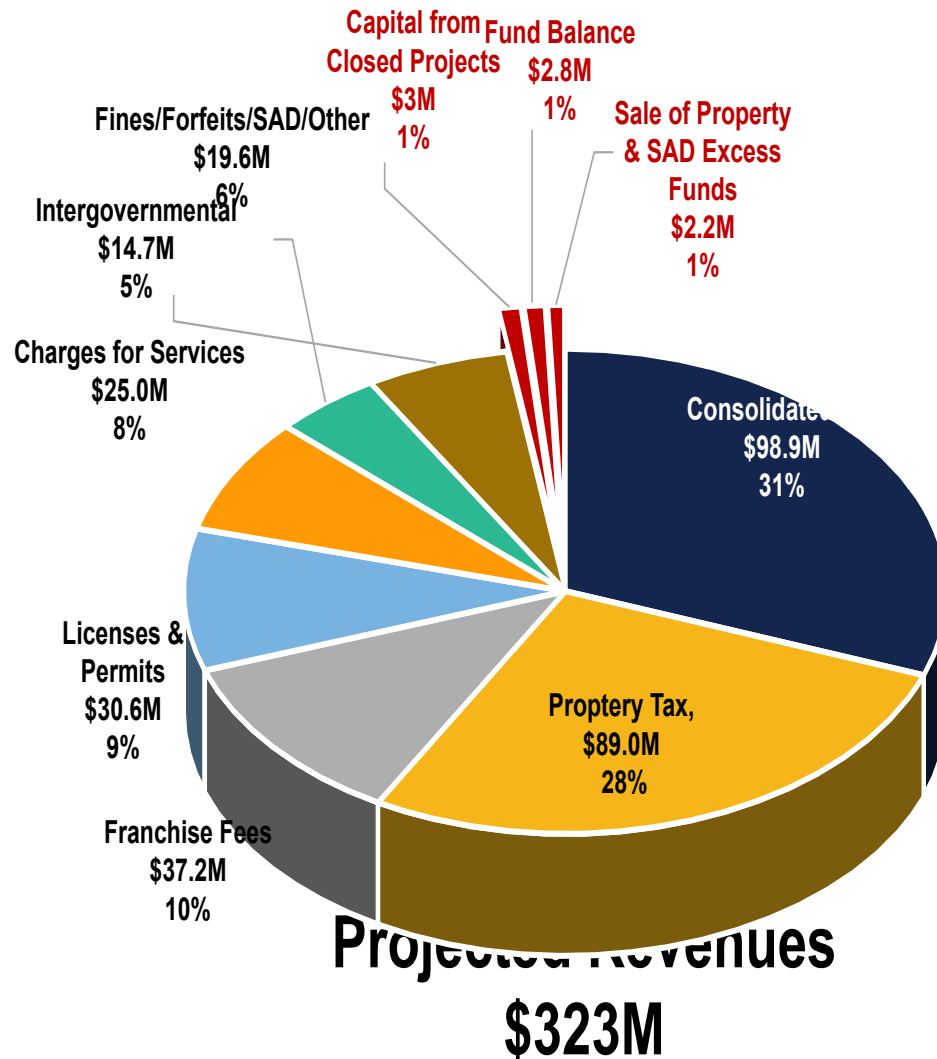
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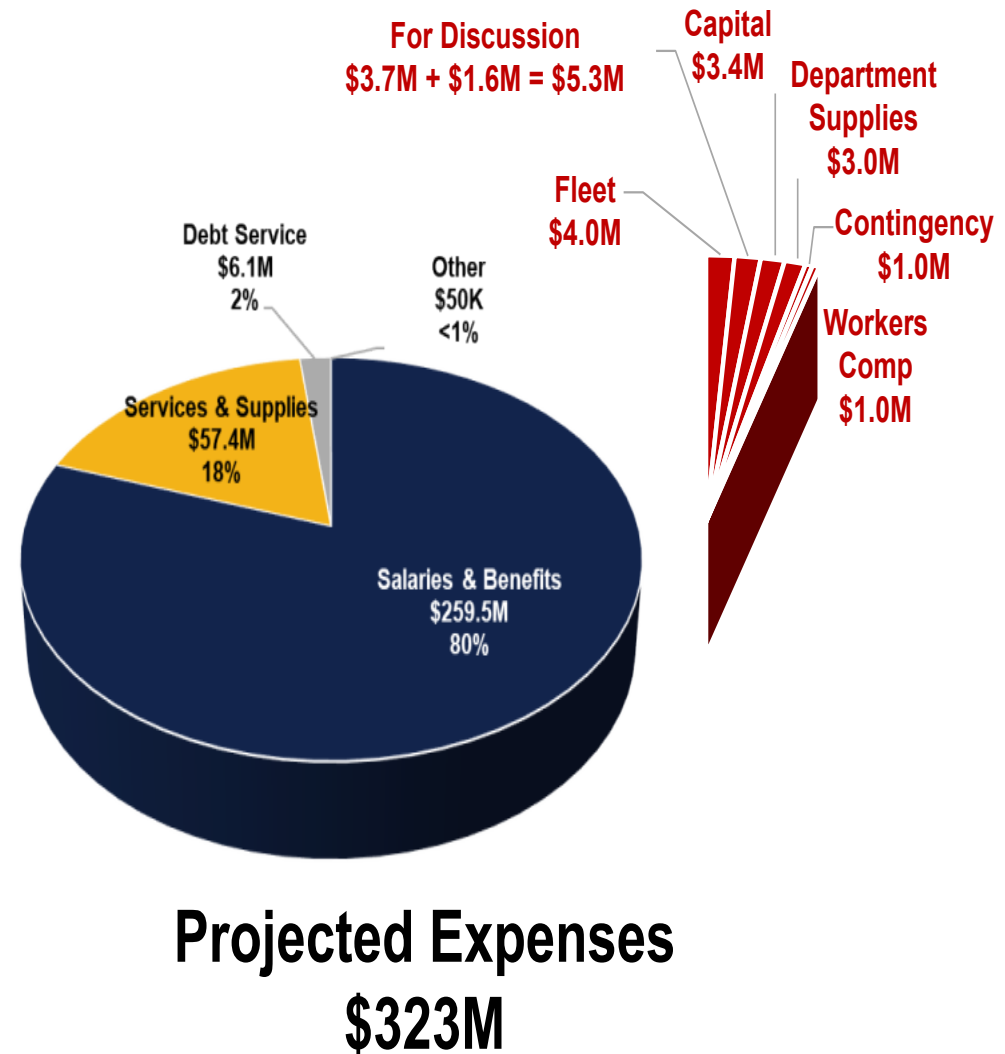
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\$3.2M
Savings from
unfunded
positions

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City Clerk	Records Systems Manager
HR	Director of Human Resources
HR	Human Resources Business Partner
HR	Human Resources Technician
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Police	Police Officer
Police	Police Officer
Police	Police Officer
Police	Police Officer
Police	Police Officer
Police	Police Officer
Public Works	City Surveyor
Parks & Recreation	Office Assistant II
Parks & Recreation	Recreation Manager
Parks & Recreation	Recreation Leader
Council Relations	Community Liaison
Development Services	Management Analyst
Development Services	Associate Planner Specialist
Development Services	Management Assistant

– Room Tax – \$3.2M

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Fund

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split 50/50

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FY25 Augmentations - Quarter 3

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 - Police, Fire, Parks & Recreation
- Police Department reclassification
 - Two Police Assistant positions to one Background Investigations Unit Supervisor
- Freight House/Tessera Districts clean up
- RTAA Fire positions reconciliation to March hire date

Recommended Motion

I move to approve the augmentations and revisions from January 1, 2025 through March 31, 2025.