

SECTION II



Budget Summary

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Summary of Revenues, Expenses & Change in Fund Balance

(1)	(2)	(3)	(4)	(5)	(6)	(7)
FUND TYPE Fund Name	Est Beg Fund Bal or Cash on Hand 7/1/2006	FY 06/07 Revenues	FY 06/07 Expenses	Net Operating Transfers In (out)	Net Change (Col 3-4+5)	Proj Ending Fund Bal or Cash on Hand 6/30/2007
CITY OF RENO						
GENERAL FUND	15,755,225	167,653,075	148,918,565	(25,783,612)	(7,049,102)	8,706,123
SPECIAL REVENUE FUNDS						
CDBG Projects Funds	302,852	3,583,532	2,836,585	(1,044,205)	(297,258)	5,594
CDBG Admin Fund	17,972	595,212	481,104	(132,080)	(17,972)	-
Street Fund	902,601	13,391,656	15,411,290	1,617,033	(402,601)	500,000
Event Center Fund	-	681,525	681,525	-	-	-
Room Tax Fund	-	2,271,000	396,618	(1,874,382)	-	-
Parks & Recreation Fund	926,372	4,209,095	17,274,077	12,669,525	(395,457)	530,915
Stabilization Fund	5,664,218	54,000	5,718,218	-	(5,664,218)	-
Special Events Fund	36,814	284,797	1,047,270	725,659	(36,814)	-
Court Funds	-	439,000	350,603	(88,397)	-	-
Drug Forfeiture Funds	-	62,000	62,000	-	-	-
Subtotal	7,850,829	25,571,817	44,259,290	11,873,153	(6,814,320)	1,036,509
DEBT SERVICE FUNDS						
Ad Valorem Debt Funds	5,752,089	5,074,703	7,831,017	2,105,344	(650,970)	5,101,119
Railroad Debt Funds	37,513,380	10,030,000	8,448,876	1,126,184	2,707,308	40,220,688
Event Center Debt Funds	7,732,225	7,295,000	6,673,097	-	621,903	8,354,128
SAD Debt Funds	3,095,306	604,712	719,614	-	(114,902)	2,980,404
Subtotal	54,093,000	23,004,415	23,672,604	3,231,528	2,563,339	56,656,339
CAPITAL PROJECTS FUNDS						
Public Works Capital Projects Fund	402,181	2,533,500	4,697,640	1,787,838	(376,302)	25,879
Event Center Capital Projects Fund	7,952,031	-	7,952,031	-	(7,952,031)	-
ReTRAC Capital Projects Fund	2,783,209	3,866,418	21,576,468	14,926,841	(2,783,209)	-
Park Capital Projects Fund	3,028,598	2,443,050	4,783,721	-	(2,340,671)	687,927
Capital Tax Fund	-	1,249,834	796,760	(453,074)	-	-
Subtotal	14,166,019	10,092,802	39,806,620	16,261,605	(13,452,213)	713,806
ENTERPRISE FUNDS						
Sanitary Sewer	-	98,557,923	98,076,646	(479,277)	2,000	2,000
Golf Course	93,880	1,686,145	1,702,984	-	(16,839)	77,041
Communications	1,140,182	510,200	6,717,811	5,615,208	(592,403)	547,779
Animal Services Shelter	-	-	-	-	-	-
Planning	1,051,794	5,253,822	5,261,083	-	(7,261)	1,044,533
Building Permit	4,203,928	6,795,000	7,229,456	(30,000)	(464,456)	3,739,472
Subtotal	6,489,784	112,803,090	118,987,980	5,105,931	(1,078,959)	5,410,825
INTERNAL SERVICE FUNDS						
Motor Vehicle	1,224,616	5,758,058	7,058,938	76,264	(1,224,616)	-
Risk Retention	6,332,296	2,400,118	2,420,204	(58,671)	(78,757)	6,253,539
Group Insurance	4,223,821	14,256,620	15,076,124	-	(819,504)	3,404,317
Worker's Compensation	3,287,303	3,871,156	5,741,021	-	(1,869,865)	1,417,438
Communications & Technology	770,253	32,620	6,506,448	6,055,012	(418,816)	351,437
Subtotal	15,838,289	26,318,572	36,802,735	6,072,605	(4,411,558)	11,426,731
TRUST FUNDS						
Performance Deposits	-	400,000	400,000	-	-	-
Subtotal	-	400,000	400,000	-	-	-
CITY OF RENO TOTAL	114,193,146	365,843,771	412,847,794	16,761,210	(30,242,813)	83,950,333
REDEVELOPMENT AGENCY						
General Fund	578,492	1,284,797	2,051,736	188,447	(578,492)	-
Debt Service	3,651,575	3,298,636	3,031,083	(896,632)	(629,079)	3,022,496
Extraordinary Maintenance Capital	-	-	-	-	-	-
REDEVELOPMENT AGENCY TOTAL	4,230,067	4,583,433	5,082,819	(708,185)	(1,207,571)	3,022,496
GRAND TOTAL	118,423,213	370,427,204	417,930,613	16,053,025	(31,450,384)	86,972,829

Summary of Resources By Type and Fund

Revenue Source	2004/05 Actual	2005/06 Projected	2006/07 Budgeted	% of Total
CITY OF RENO				
Charges for Services	79,356,277	86,810,627	90,112,808	19.6%
Property Taxes	49,912,213	52,367,764	55,029,306	12.0%
Licenses & Permits	31,153,624	32,208,498	33,303,992	7.2%
Intergovernmental	76,754,434	95,568,815	81,446,503	17.7%
Use of Fund Balance	86,768,334	21,746,395	37,166,238	8.1%
Miscellaneous & Other	172,993,108	470,582,791	135,033,297	29.3%
Other Taxes	24,077,007	24,055,224	23,712,965	5.2%
Fines and Forfeitures	3,562,003	4,284,000	4,613,050	1.0%
CITY OF RENO TOTAL	524,577,000	787,624,114	460,418,159	100.0%
REDEVELOPMENT AGENCY				
Property Taxes	4,304,790	3,787,222	3,306,116	47.9%
Miscellaneous & Other	138,692	128,024	128,024	1.9%
Use of Fund Balance	3,627,402	5,700,296	1,207,774	17.5%
Intergovernmental	2,409,281	3,832,087	2,258,202	32.7%
REDEVELOPMENT AGENCY TOTAL	10,480,165	13,447,629	6,900,116	100.0%
GRAND TOTAL	535,057,165	801,071,743	467,318,275	

Revenues by Fund Type Budgeted for 2006/07

Revenue Source	General Fund	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust & Agency	Department Total
CITY OF RENO								
Charges for Services	3,809,013	3,871,836	-	-	57,613,007	24,818,952	-	90,112,808
Property Taxes	41,140,416	9,484,491	4,404,399	-	-	-	-	55,029,306
Licenses & Permits	33,128,992	175,000	-	-	-	-	-	33,303,992
Intergovernmental	75,091,051	49,200	-	6,306,252	-	-	-	81,446,503
Use of Fund Balance	7,049,102	765,645	(2,563,339)	13,452,213	11,248,959	7,213,658	-	37,166,238
Miscellaneous & Other	12,784,551	27,511,217	6,391,544	20,299,798	60,005,291	7,640,896	400,000	135,033,297
Other Taxes	-	5,872,965	15,440,000	2,400,000	-	-	-	23,712,965
Fines and Forfeitures	3,763,050	50,000	-	-	800,000	-	-	4,613,050
CITY OF RENO TOTAL	176,766,175	47,780,354	23,672,604	42,458,263	129,667,257	39,673,506	400,000	460,418,159
REDEVELOPMENT AGENCY								
Property Taxes	137,480		3,168,636	-				3,306,116
Intergovernmental	128,024		-	-				128,024
Use of Fund Balance	578,695		629,079	-				1,207,774
Miscellaneous & Other	2,128,202		130,000	-				2,258,202
REDEVELOPMENT AGENCY TOTAL	2,972,401	-	3,927,715	-	-	-	-	6,900,116
GRAND TOTAL	179,738,576	47,780,354	27,600,319	42,458,263	129,667,257	39,673,506	400,000	467,318,275

A negative number in "Use of Fund Balance" indicates additional funds were retained in the program for future use.

Revenues by Fund Type Projected for 2005/06

Revenue Source	General Fund	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust & Agency	Department Total
CITY OF RENO								
Charges for Services	3,685,357	3,812,750	-	-	54,371,483	24,941,037	-	86,810,627
Property Taxes	39,538,230	7,521,241	5,220,616	-	87,677	-	-	52,367,764
Licenses & Permits	32,033,498	175,000	-	-	-	-	-	32,208,498
Intergovernmental	73,004,541	49,200	-	22,515,074	-	-	-	95,568,815
Use of Fund Balance	1,017,785	981,134	(21,466,818)	(2,542,661)	34,888,865	8,049,006	819,084	21,746,395
Miscellaneous & Other	14,925,784	23,039,528	316,914,568	68,825,492	39,208,917	7,118,502	550,000	470,582,791
Other Taxes	-	5,794,224	15,440,000	2,821,000	-	-	-	24,055,224
Fines and Forfeitures	3,434,000	50,000	-	-	800,000	-	-	4,284,000
CITY OF RENO TOTAL	167,639,195	41,423,077	316,108,366	91,618,905	129,356,942	40,108,545	1,369,084	787,624,114
REDEVELOPMENT AGENCY								
Property Taxes	-	-	3,787,222	-	-	-	-	3,787,222
Intergovernmental	128,024	-	-	-	-	-	-	128,024
Use of Fund Balance	4,342,933	-	1,267,218	90,145	-	-	-	5,700,296
Miscellaneous & Other	3,688,126	-	143,961	-	-	-	-	3,832,087
REDEVELOPMENT AGENCY TOTAL	8,159,083	-	5,198,401	90,145	-	-	-	13,447,629
GRAND TOTAL	175,798,278	41,423,077	321,306,767	91,709,050	129,356,942	40,108,545	1,369,084	801,071,743

A negative number in "Use of Fund Balance" indicates additional funds were retained in the program for future use.

Revenues by Fund Type Actual for 2004/05

Revenue Source	General Fund	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust & Agency	Department Total
CITY OF RENO								
Charges for Services	3,395,478	3,574,094	-	-	48,105,535	24,281,170	-	79,356,277
Property Taxes	36,173,857	6,041,999	5,498,172	-	2,198,185	-	-	49,912,213
Licenses & Permits	30,960,509	193,115	-	-	-	-	-	31,153,624
Intergovernmental	71,763,415	49,274	-	4,941,745	-	-	-	76,754,434
Use of Fund Balance	590,860	2,496,578	9,326,487	57,498,217	4,542,780	12,475,614	(162,202)	86,768,334
Miscellaneous & Other	15,337,657	23,782,358	9,443,039	82,916,132	33,639,760	6,926,657	947,505	172,993,108
Other Taxes	-	5,658,620	15,020,455	3,397,932	-	-	-	24,077,007
Fines and Forfeitures	2,721,899	84,506	-	-	755,598	-	-	3,562,003
CITY OF RENO TOTAL	160,943,675	41,880,544	39,288,153	148,754,026	89,241,858	43,683,441	785,303	524,577,000
REDEVELOPMENT AGENCY								
Property Taxes	47,075	-	4,257,715	-	-	-	-	4,304,790
Intergovernmental	138,692	-	-	-	-	-	-	138,692
Use of Fund Balance	3,627,881	-	(35,037)	34,558	-	-	-	3,627,402
Miscellaneous & Other	1,430,629	-	976,640	2,012	-	-	-	2,409,281
REDEVELOPMENT AGENCY TOTAL	5,244,277	-	5,199,318	36,570	-	-	-	10,480,165
GRAND TOTAL	166,187,952	41,880,544	44,487,471	148,790,596	89,241,858	43,683,441	785,303	535,057,165

A negative number in "Use of Fund Balance" indicates additional funds were retained in the program for future use.

Summary of Expenses By Department and Budgeted by Fund

Expenditure Source	2004/05 Actual	2005/06 Projected	2006/07 Budgeted	% of Total
CITY OF RENO				
City Council	1,886,822	1,666,178	1,674,838	0.4%
City Clerk	1,499,707	1,672,140	1,365,265	0.3%
City Manager	23,143,399	14,382,786	14,614,270	3.2%
Finance	2,470,277	2,648,124	2,354,668	0.5%
City Attorney	3,643,709	3,781,632	3,994,742	0.9%
Human Resources	12,592,768	16,182,864	16,452,871	3.6%
Civil Service	316,383	348,254	358,147	0.1%
Community Development	11,700,792	12,618,060	13,958,591	3.0%
Community Resources	6,814,431	3,837,845	4,493,974	1.0%
Communications & Technology	10,026,919	12,419,912	13,269,259	2.9%
Police	54,238,183	56,143,540	56,894,137	12.4%
Fire	47,762,718	46,685,752	48,970,582	10.6%
Municipal Court	4,915,250	7,129,651	5,920,453	1.3%
Public Works (including capital projects)	253,850,067	236,866,479	189,591,963	41.2%
Parks, Recreation & Community Services	18,665,718	19,303,209	19,307,061	4.2%
Non-Departmental	71,049,857	351,937,688	67,197,338	14.6%
CITY OF RENO TOTAL	524,577,000	787,624,114	460,418,159	100%
REDEVELOPMENT AGENCY	10,480,165	13,447,629	6,900,116	100%
GRAND TOTAL	535,057,165	801,071,743	467,318,275	

Expenditures by Fund Type Budgeted for 2006/07

Expenditure Source	General Fund	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust & Agency	Department Total
CITY OF RENO								
City Council	1,278,220	396,618	-	-	-	-	-	1,674,838
City Clerk	1,365,265	-	-	-	-	-	-	1,365,265
City Manager	5,340,004	1,047,270	-	-	-	8,226,996	-	14,614,270
Finance	2,354,668	-	-	-	-	-	-	2,354,668
City Attorney	3,994,742	-	-	-	-	-	-	3,994,742
Human Resources	1,376,747	-	-	-	-	15,076,124	-	16,452,871
Civil Service	358,147	-	-	-	-	-	-	358,147
Community Development	1,448,052	-	-	-	12,510,539	-	-	13,958,591
Community Resources	-	4,493,974	-	-	-	-	-	4,493,974
Communications & Technology	-	-	-	-	6,717,811	6,551,448	-	13,269,259
Police	56,832,137	62,000	-	-	-	-	-	56,894,137
Fire	48,970,582	-	-	-	-	-	-	48,970,582
Municipal Court	5,481,453	439,000	-	-	-	-	-	5,920,453
Public Works (including capital projects)	12,434,024	16,474,815	-	42,458,263	108,405,923	9,818,938	-	189,591,963
Parks, Recreation & Community Services	-	17,274,077	-	-	2,032,984	-	-	19,307,061
Non-Departmental	35,532,134	7,592,600	23,672,604	-	-	-	400,000	67,197,338
CITY OF RENO TOTAL	176,766,175	47,780,354	23,672,604	42,458,263	129,667,257	39,673,506	400,000	460,418,159
REDEVELOPMENT AGENCY	2,972,401	-	3,927,715	-	-	-	-	6,900,116
GRAND TOTAL	179,738,576	47,780,354	27,600,319	42,458,263	129,667,257	39,673,506	400,000	467,318,275

Expenditures by Fund Type Projected for 2005/06

Expenditure Source	General Fund	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust & Agency	Department Total
CITY OF RENO								
City Council	1,147,918	518,260	-	-	-	-	-	1,666,178
City Clerk	1,672,140	-	-	-	-	-	-	1,672,140
City Manager	5,688,440	1,040,805	-	-	-	7,653,541	-	14,382,786
Finance	2,648,124	-	-	-	-	-	-	2,648,124
City Attorney	3,781,632	-	-	-	-	-	-	3,781,632
Human Resources	1,108,879	-	-	-	-	15,073,985	-	16,182,864
Civil Service	348,254	-	-	-	-	-	-	348,254
Community Development	1,284,251	-	-	-	11,333,809	-	-	12,618,060
Community Resources	-	3,837,845	-	-	-	-	-	3,837,845
Communications & Technology	-	-	-	-	5,756,271	6,663,641	-	12,419,912
Police	54,407,144	699,118	-	-	1,037,278	-	-	56,143,540
Fire	46,685,752	-	-	-	-	-	-	46,685,752
Municipal Court	5,340,751	1,788,900	-	-	-	-	-	7,129,651
Public Works (including capital projects)	11,179,002	14,206,229	-	91,618,905	109,144,965	10,717,378	-	236,866,479
Parks, Recreation & Community Services	-	17,218,590	-	-	2,084,619	-	-	19,303,209
Non-Departmental	32,346,908	2,113,330	316,108,366	-	-	-	1,369,084	351,937,688
CITY OF RENO TOTAL	167,639,195	41,423,077	316,108,366	91,618,905	129,356,942	40,108,545	1,369,084	787,624,114
REDEVELOPMENT AGENCY	8,159,083	-	5,198,401	90,145	-	-	-	13,447,629
GRAND TOTAL	175,798,278	41,423,077	321,306,767	91,709,050	129,356,942	40,108,545	1,369,084	801,071,743

Expenditures by Fund Type Actual for 2004/05

Expenditure Source	General Fund	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust & Agency	Department Total
CITY OF RENO								
City Council	973,978	912,844	-	-	-	-	-	1,886,822
City Clerk	1,499,707	-	-	-	-	-	-	1,499,707
City Manager	4,707,483	-	-	-	-	18,435,916	-	23,143,399
Finance	2,470,277	-	-	-	-	-	-	2,470,277
City Attorney	3,643,709	-	-	-	-	-	-	3,643,709
Human Resources	1,154,353	-	-	-	-	11,438,415	-	12,592,768
Civil Service	316,383	-	-	-	-	-	-	316,383
Community Development	1,411,456	-	-	-	10,289,336	-	-	11,700,792
Community Resources	-	6,814,431	-	-	-	-	-	6,814,431
Communications & Technology	-	-	-	-	4,950,827	5,076,092	-	10,026,919
Police	51,888,870	245,000	-	-	2,104,313	-	-	54,238,183
Fire	47,762,718	-	-	-	-	-	-	47,762,718
Municipal Court	4,915,250	-	-	-	-	-	-	4,915,250
Public Works (including capital projects)	11,330,202	15,191,236	-	148,754,026	69,841,585	8,733,018	-	253,850,067
Parks, Recreation & Community Services	-	16,609,921	-	-	2,055,797	-	-	18,665,718
Non-Departmental	28,869,289	2,107,112	39,288,153	-	-	-	785,303	71,049,857
CITY OF RENO TOTAL	160,943,675	41,880,544	39,288,153	148,754,026	89,241,858	43,683,441	785,303	524,577,000
REDEVELOPMENT AGENCY	5,244,277	-	5,199,318	36,570	-	-	-	10,480,165
GRAND TOTAL	166,187,952	41,880,544	44,487,471	148,790,596	89,241,858	43,683,441	785,303	535,057,165

Authorized Positions By Function and Type
(Full-Time Equivalent Positions, Including Temporaries)

TOTAL BY FUNCTION	6/30/2004	6/30/2005	6/30/2006	2006/07
	Actual	Actual	Projected	Adopted
CITY OF RENO				
General Government	155.60	161.63	178.25	180.75
Judicial	53.95	53.15	53.15	53.40
Public Safety	863.42	934.15	934.35	939.83
Public Works	181.13	179.89	184.11	190.11
Sanitation	-	-	-	-
Health (Animal Services)*	21.00	22.00	-	-
Welfare	-	-	-	-
Culture & Recreation	264.91	285.97	293.30	287.10
Community Support	90.23	96.72	106.05	111.35
Utility Enterprise	66.19	70.29	73.29	76.29
CITY OF RENO TOTAL	1,696.43	1,803.80	1,822.50	1,838.83
REDEVELOPMENT AGENCY				
Public Works	7.00	7.00	7.75	7.75
GRAND TOTAL	1,703.43	1,810.80	1,830.25	1,846.58
TOTAL BY TYPE				
	6/30/2004	6/30/2005	6/30/2006	2006/07
	Actual	Actual	Projected	Adopted
Regular Positions	1,485.20	1,572.17	1,579.30	1,602.90
Change from Prior year	3.17	86.97	7.13	23.60
Temporary Positions	218.23	238.63	250.95	243.68
Change from Prior year	1.72	20.40	12.32	(7.27)
GRAND TOTAL	1,703.43	1,810.80	1,830.25	1,846.58
Change from Prior year	4.89	107.37	19.45	16.33

Note: Full-time equivalent positions are based on 2,080 hour per year; 2,192 hour per year for emergency response personnel in the Fire Department.

A complete list of all positions and salary levels is found in the Community Profile and Miscellaneous Statistics Section.

* Health (Animal Services) function transferred to Washoe County effective July 1, 2005.

Changes in Authorized Staffing Levels For FY 2006/07

REGULAR POSITIONS

DEPARTMENT	POSITION TITLE	EXPLANATION	FUND	FTE'S
Communications & Technology	Asst. Emergency Communications Director	New Position	Enterprise	1.00
Community Development	Assistant Planner	New Position	Enterprise	1.00
Community Development	Building Permit Technician	New Positions	Enterprise	1.00
Community Development	Office Assistant II	New Position	Enterprise	1.00
Community Development	Senior Civil Engineer	New Position	Enterprise	1.00
Finance	Secretary	New Position	General	0.50
Fire	Rescue Team - 3 Fire Equip. Op./6 Firefighters	New Positions	General	9.00
Human Resources	Management Analyst	Limited Term	General	1.00
Parks, Recreation & Community Service	Park Maintenance Worker I	New Positions	General	2.00
Public Works	Associate Civil Engineer	New Positions	Enterprise	2.00
Public Works	City Architect	New Position	General	1.00
Public Works	Engineering Technician II	New Position	Enterprise	1.00
Public Works	Property Management Assistant	New Position	General	1.00
Net Change:				22.50

Budget Summary – Revenues

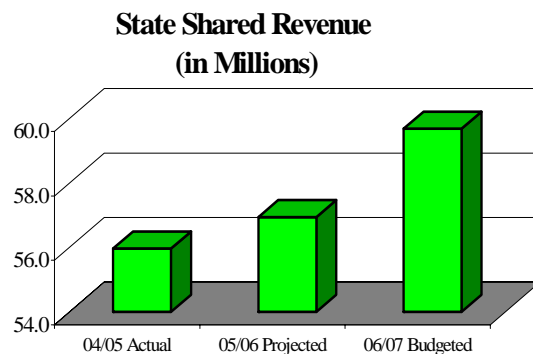
The City's budget for 2006/07 totals \$467.3 million, a 3.3% increase over the adopted budget for 2005/06. This increase reflects signs of economic improvement in the last year due to continued increases in sales tax collection, primarily due to auto sales and area construction.

Revenues

The City, (excluding the Redevelopment Agency) expects to receive \$460.4 million in revenues in 2006/07, of which \$176.8 million (38%) will flow into the General Fund. The remaining \$283.6 million will flow into other funds, primarily for capital projects and support for building permit and sewer enterprise funds. The City anticipates using \$37.2 million in fund balance in a number of Funds. The four major revenue sources for the City are described further below:

State Shared Revenues

State shared revenues include sales and use taxes, cigarette and liquor taxes, motor vehicle privilege and fuel taxes, and real property transfer taxes. These taxes have been brought together into a Consolidated Tax. They are collected by the State, consolidated and then distributed to the various governmental agencies based on a series of formulas developed by the Nevada Department of Taxation. Population, assessed value, and growth rates are factors used in the distribution formula.

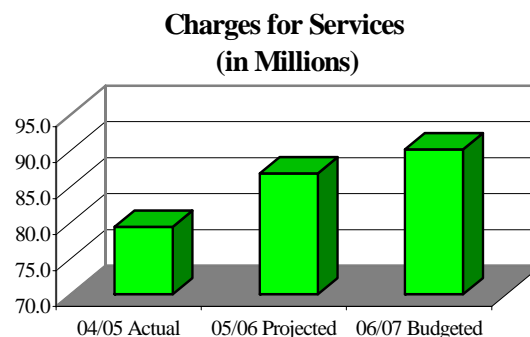


The State-wide sales and use tax rate totals 6.5%, of which 2.25% is for the City/County Relief Tax, and is distributed to the cities and counties throughout the State. The County also has a rate of 0.875% for specific County-wide projects, bringing the total tax rate within the City to 7.375%. The remainder of the tax revenues are distributed to the State, local school districts, and other agencies as specifically authorized by statute.

City staff reviews the State's projections and further evaluates local conditions, including building permits, sewer connection fees, franchises and other economic data to determine conservative, yet realistic projections. State shared revenues are primarily accounted for in the General Fund, although the Street Special Revenue Fund also receives fuel taxes.

Charges for Services

Service Charges are the largest single revenue source for the City. Enterprise Fund Service Charges account for 64% of total charges for services, which include sewer fees for the operation and/or expansion of the City's sewer system; golf fees for the operation and maintenance of the two City-owned golf courses; dispatch fees to provide emergency dispatching services; and building permit and planning application fees. Internal Service Fund Service Charges account

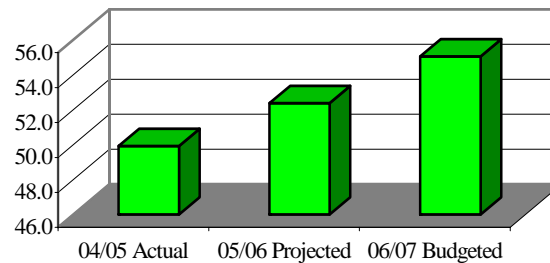


for 27.5% of the total charges for services; which include the City's self-funded medical plan, motor vehicle, risk retention and workers compensation. General Fund Service Charges account for 4.2% of total charges for services which include public safety service charges, public works service charges, Municipal Court service charges, and general administrative fees. The Parks and Recreation Special Revenue Fund Charges account for 4.3% of the total charges for services; which include charges for parks, recreation and aquatic programming and facilities.

Ad Valorem (Property) Taxes

The growth rate in property tax revenues averaged nearly 16% during the past five years as a result of new housing units and the construction and/or expansion of several casinos throughout the City. In addition, the voters approved, in 1996, a new override for the construction and operation of an eleventh fire station, which is now in operation.

**Property Taxes
(in Millions)**



The State calculates the tax rate and revenues received from ad valorem taxes for all local governments. The formula used to calculate the tax rate and revenues is set by statute. The City Council may adopt a tax rate below that determined by the formula, but they may not increase it above the formula without voter approval. The maximum total overlapping tax rate for any agency is \$3.64 per \$100 of assessed valuation. By state law, property is assessed at 35% of taxable value. The taxable value equals the replacement value of improvements, less depreciation, plus the value of the land. The formula used to calculate the ad valorem tax rate and allowable revenues is summarized on the next page.

Step 1	PY's Ad Valorem Revenue Base	×	1.06 (6% growth)	+	Value of Property on PY'S Tax Roll	×	100 =	Base Tax Rate
Greater of:					Revenue			
Step 2	Base Rate from Step 1 or PY's Base Tax Rate	×	CY Assessed Value	+	Allowed Ad Valorem Revenue Base	+	Allowed by Voter or Legislative Overrides	Total Allowed Ad Valorem Revenue

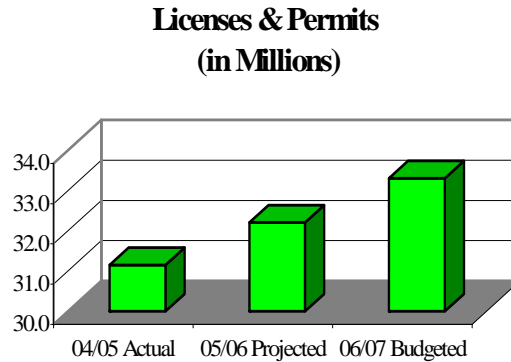
Ad Valorem revenues are accounted for in the General Fund, where they are the second largest revenue source, the Debt Service Fund for retirement of general obligation debt, and in the Street Special Revenue Fund for neighborhood street maintenance as approved by the voters in 1994.

Licenses and Permits

Business licenses, permits, and franchise fees are a major resource for the General Fund, comprising 18.7% of all General Fund resources. Nearly 55% of all licenses and permits consist of business, City gaming, and liquor licenses.

Business license fees are assessed against all entities doing business within the corporate limits of the City. They may be “flat” fees, meaning the business pays a prescribed amount based on the nature and size of the business; or “gross receipt” fees which are a percentage of

gross income. City gaming fees are a flat fee based on the number of gaming devices on the property. Projections for licenses and permit revenues were based on an analysis of recent trends, new fees, and changes in the fee structure for business licenses.



Budget Summary – Expenses

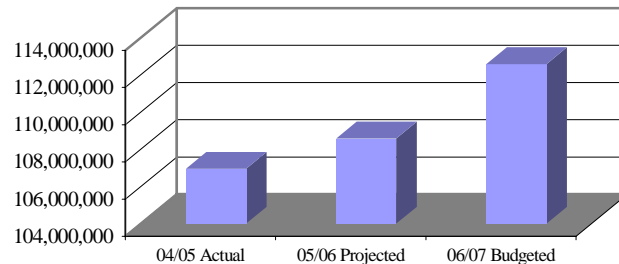
The City tracks expenses for internal reporting purposes by department and program. These can be combined and summarized by function. Grouping by function, as described below, is required for the budget submitted by the City to the Nevada Department of Taxation.

Public Safety and Health/Welfare

Public Safety includes police and fire services which are budgeted in the General Fund. Communications and Animal Services are accounted for in enterprise funds, but function as a part of the public safety and health/welfare component. The Fire Department budget includes the addition of a rescue team, which consists of three fire equipment operators and six firefighters.

Due to the opening of the Cold Springs Station and a significant increase in call volumes in the downtown area, there was a shifting of rescue units that required a replacement rescue unit at the Downtown Station.

Public Safety and Health

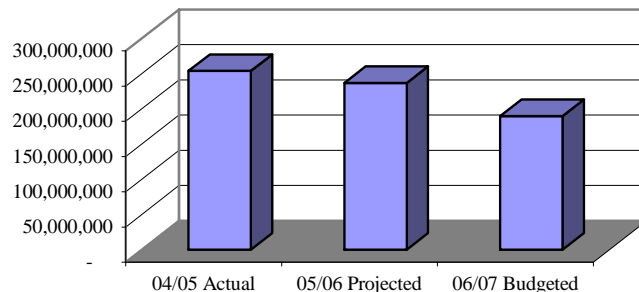


Public Works and Utilities

The Public Works function includes all the divisions of the Public Works Department. They include Capital Projects, Building Maintenance, Traffic Operations, and Traffic Engineering in the General Fund, Street Maintenance in the Street Fund, Sewer Operations and Maintenance in the Sanitary Sewer Enterprise Fund, and Motor Vehicle Maintenance in an Internal Service Fund. The total also includes capital projects in the various Capital Projects Funds.

The Public Works budget includes a property management assistant, an engineering technician, a City Architect and two associate civil engineer positions have been added. The property management assistant will provide the support needed to assist with the inventory of all City-owned property, including ReTRAC and 1 East First Street leases, and ongoing property acquisition and sales for the City and Redevelopment Agency. The City Architect will provide architectural oversight of City projects. The engineering technician and the two associate civil engineer positions will provide assistance for the increased workload associated with the sewer collection system rehabilitation, capacity analysis/modeling and facility planning.

Public Works and Utilities



General Government

General Government includes the City Council, City Manager's Office, City Clerk's Office, Finance, Human Resources, Civil Service, Communications and Technology and the City Attorney's Office. These departments are funded primarily through the General Fund although some services and/or personnel are partially funded by transfers from other funds.

Also included are costs for the City's self-insured medical programs, risk management, and workers' compensation programs. All three of these programs are accounted for in internal service funds. The medical and risk management programs also receive support from the Truckee Meadows Water Authority (TMWA).

Personnel changes include the General Government function include the addition of positions in the Communications and Technology Department, the Finance Department and the Human Resources Department.

In the Communications and Technology Department, an assistant emergency communications director position has been added to manage the day-to-day operations of the dispatch center which will provide the necessary backup to the Emergency Communications Director, allowing more efficient management of dispatch contract and service agreements.

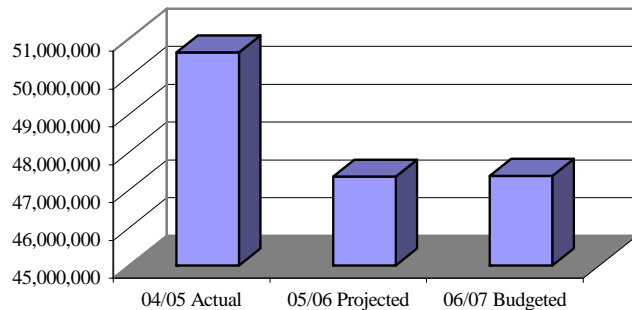
In the Finance Department, a part-time administrative secretary will be utilized to provide clerical assistance for the sidewalk vendor program. This position will coordinate all aspects of the sidewalk vendor program including customer contact, public noticing requirements, public hearings, etc.

In the Human Resources Department, a limited term management analyst position is being continued to maintain the current levels of service to fulfill the recruitment contract with Civil Service.

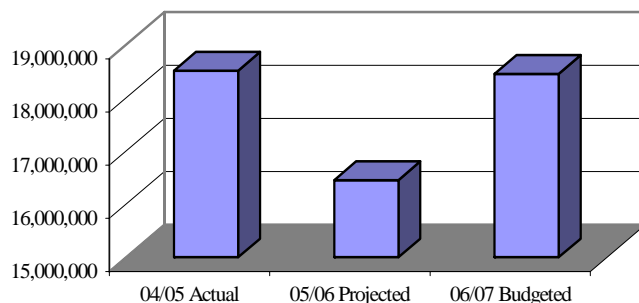
Community Support

Community Support includes the Community Development Department, which includes Administration and Code Enforcement programs funded through the General Fund. The Building Permit, and Planning and Engineering programs are accounted for in an Enterprise Fund. CDBG and HOME grant programs are accounted for in several Special Revenue funds.

General Government



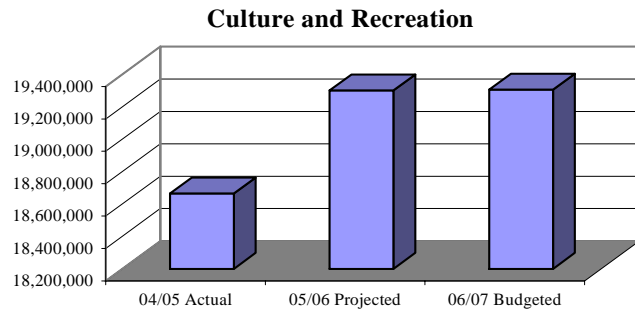
Community Support



In the Community Development Department, an office assistant position has been added to the Building Division. This additional clerical support is needed to maintain levels of service in the Building Permit Division, which has shown a 13% increase in work volume from the prior year. A senior civil engineer, assistant planner, and code enforcement officer have been added to the Planning Division. The senior civil engineer is needed as a land development engineer for analysis of complex land use applications. The assistant planner position will be related to the development and implementation of design standards. Finally, the additional code enforcement officer will be supported by fees collected for special use permits (SUP). This position will monitor SUP conditions and focus on compliance with those conditions.

Culture and Recreation

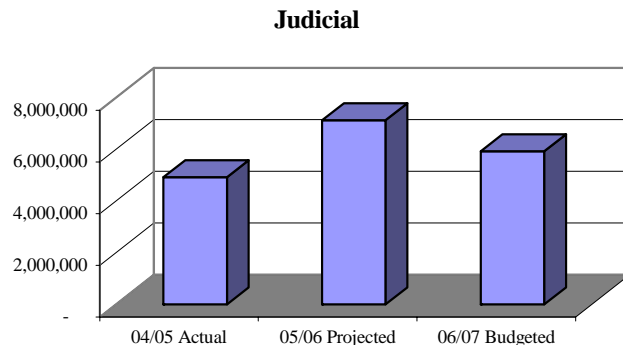
Culture and Recreation includes the Parks, Recreation and Community Services (PRCS) Department, Golf Enterprise Fund as well as the Park Capital Projects Fund which funds the construction of new park facilities through a tax on new dwelling units. PRCS activities include recreation programming, park development and maintenance, urban forestry, arts/culture and special events and aquatics services. All are accounted for in a special revenue fund although funding comes from a variety of sources, including user fees for recreation and aquatic programs, transfers from the general fund and CDBG funds for specific programs and/or services.



In the Parks, Recreation and Community Services Department, Department, two additional park maintenance worker positions have been added. These additions will increase maintenance of restrooms, shelters, picnic areas and plazas throughout the City.

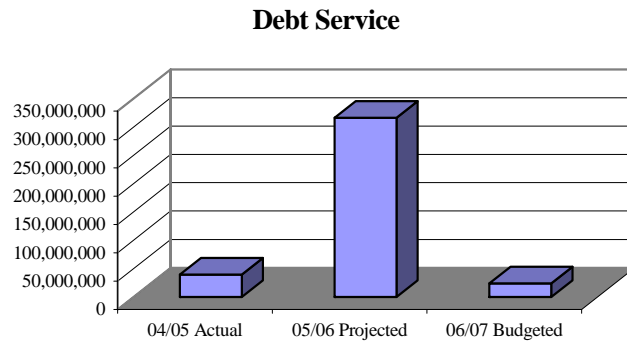
Judicial

The judicial function includes the operation of the Municipal Court. 100% of operations are funded by the General Fund; although certain operating and capital costs may be funded through two special revenue funds allowed by state statute for specific purposes.



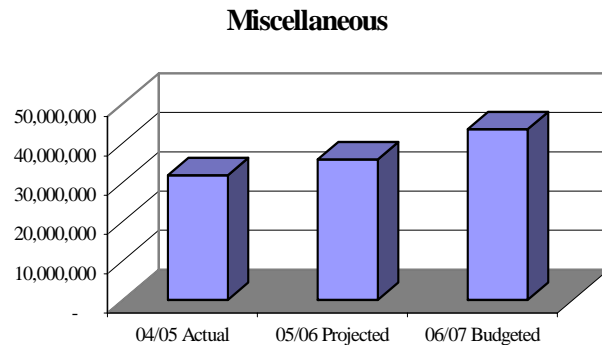
Debt Service

This includes general long-term debt paid by ad valorem taxes, short-term debt, capital leases, special assessment district debt funds, and revenue supported bonds paid by sewer enterprise and golf services funds. In FY05/06 the City refunded and reissued debt for the ReTRAC and Downtown Events Center projects to take advantage of current financing opportunities. See the appendix on debt service for further information.



Miscellaneous

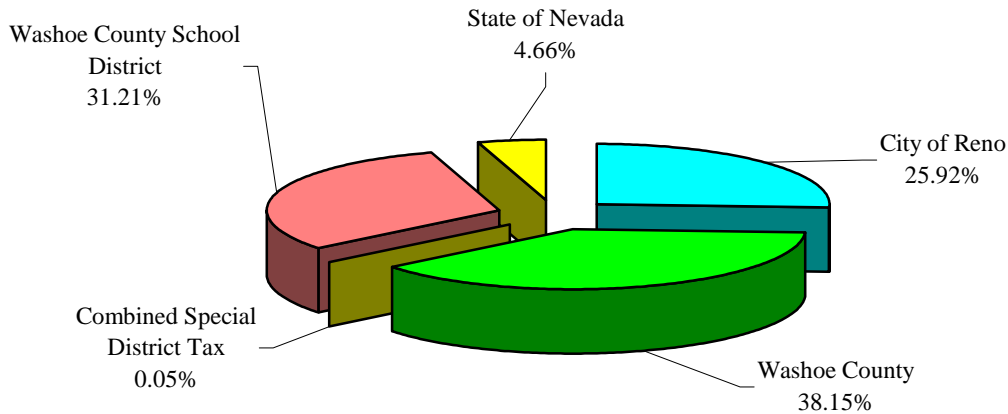
All of expenditures in this function are various contingency accounts in the General Fund. The other miscellaneous expenditures include refunds of performance deposits, payments to the Retiree's Trust Fund and the General Fund transfer to the Stabilization Fund as part of the City Manager's priorities.



Distribution of Property Tax Dollars

The total overlapping tax rate for 2006/07 (subject to approval by the Nevada Tax Commission) for the City of Reno is \$3.6477 per \$100 of assessed valuation. Therefore, a home which has a replacement value of \$150,000 will have an assessed value of \$52,500 (\$150,000 x 35%) and the home owner will pay approximately \$1,914 in property taxes (\$52,500/100 x 3.6462). The City of Reno will only receive about \$497 of that amount. The remainder will go to other governmental agencies.

PROPERTY TAX DISTRIBUTION

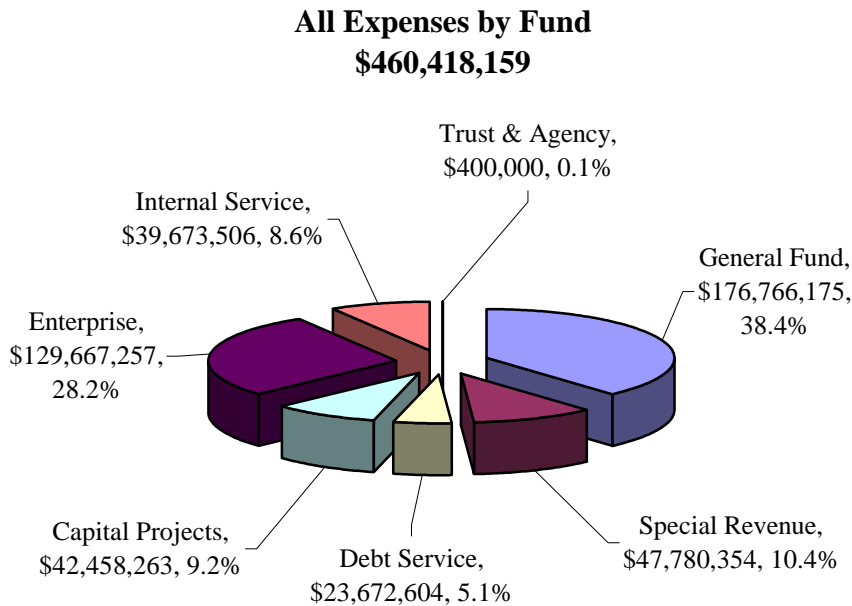
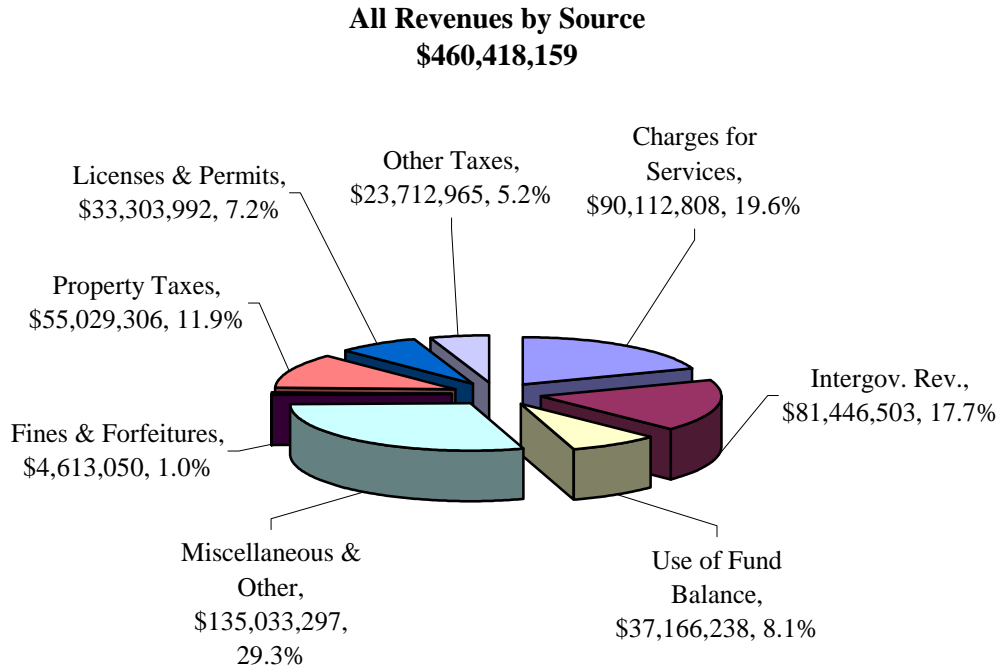


The Tax Rates are noted below:

Taxing Agency	Tax Rates 2006/07	Tax Rates 2005/06	Tax Rates 2004/05
City of Reno Property Tax	0.9456	0.9456	0.9456
County Tax Rate	1.3917	1.3917	1.3917
Washoe County School District	1.1385	1.1385	1.1385
State of Nevada	0.17	0.17	0.17
Combined Special District Tax	0.0019	0.0019	0.0004
Total Tax Rate:	3.6477	3.6477	3.6462

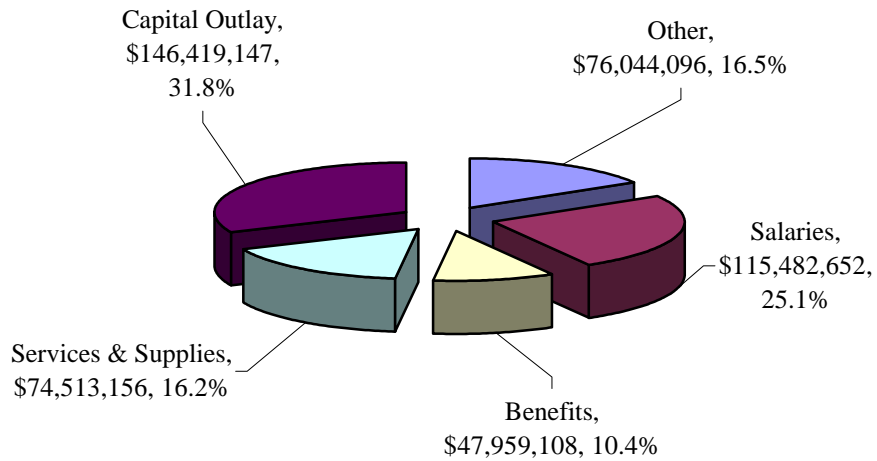
Summary Charts – All Funds

This summary provides an opportunity to see where all funds are received and spent by the City. (See Budget Structure, Section VI for an explanation of each fund.)

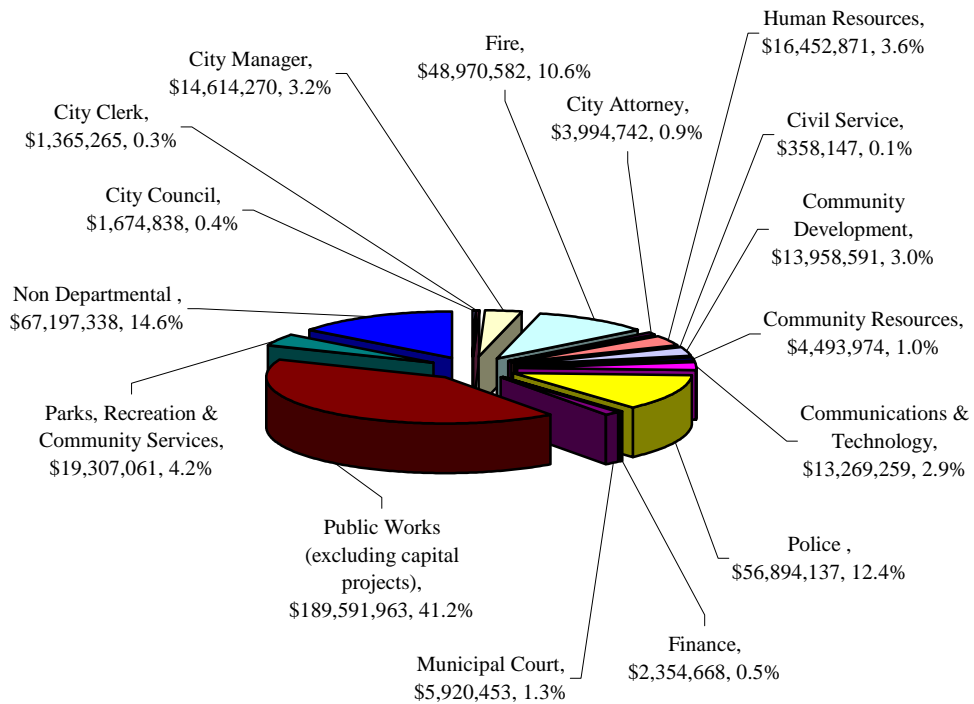


All Funds

All Expenses by Type
\$460,418,159



All Expenses by Department

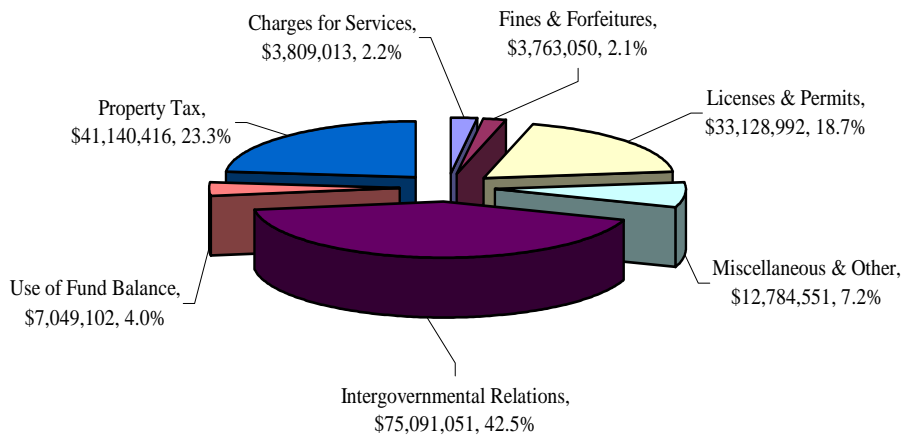


General Fund

General Fund Revenues are used to account for resources traditionally associated with government which are not required to be accounted for in another fund. Not all funds receive revenue from all sources or have expenses in all areas. Only those revenue sources and expense areas with activity are shown.

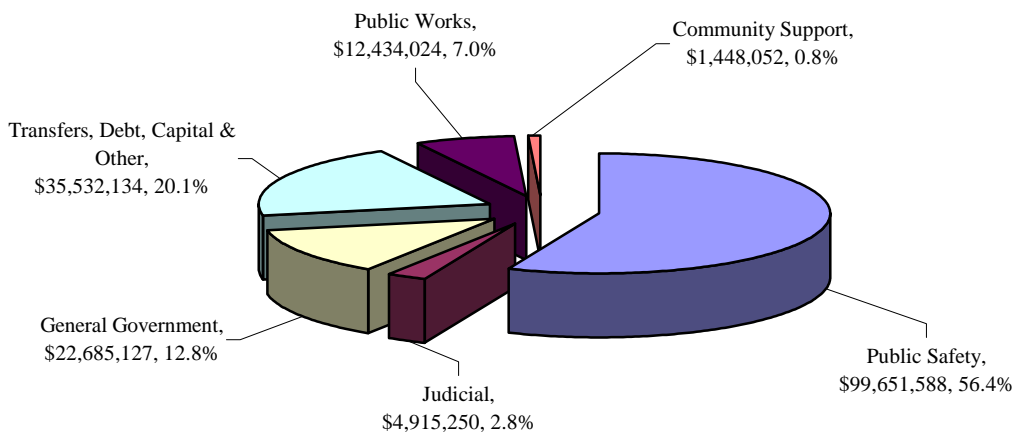
Revenues by Source

\$176,766,175



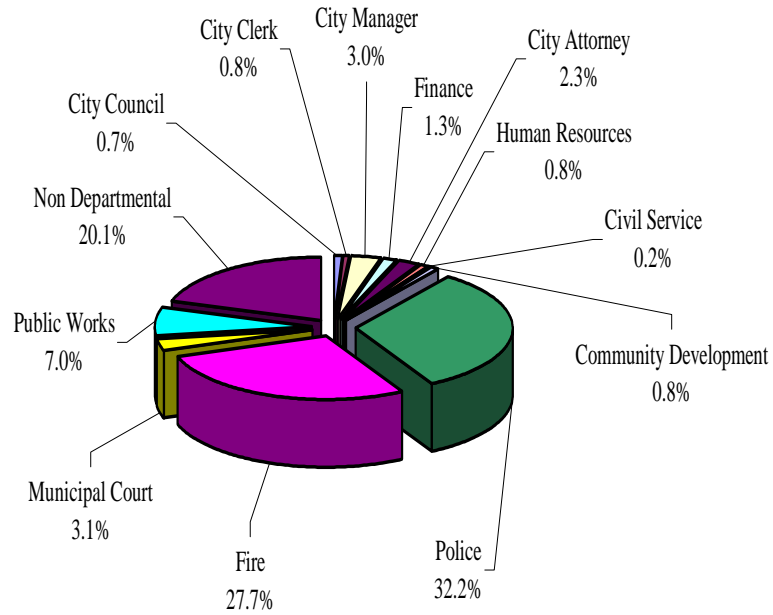
Expenses by Function

\$176,666,175



General Fund

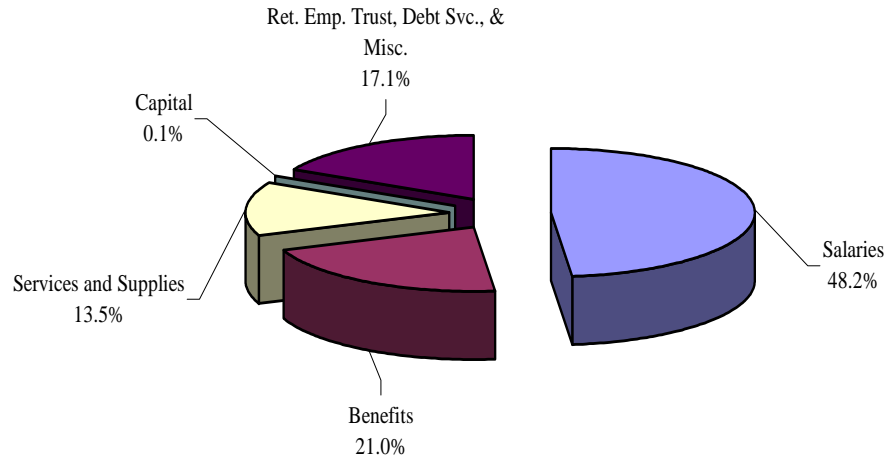
Expenses by Department



Department	Expense Amount
City Council	1,278,220
City Clerk	1,365,265
City Manager	5,340,004
Finance	2,354,668
City Attorney	3,994,742
Human Resources	1,376,747
Civil Service	358,147
Community Development	1,448,052
Police	56,832,137
Fire	48,970,582
Municipal Court	5,481,453
Public Works	12,434,024
Non Departmental	35,532,134
Total	176,766,175

General Fund

Expenses by Type

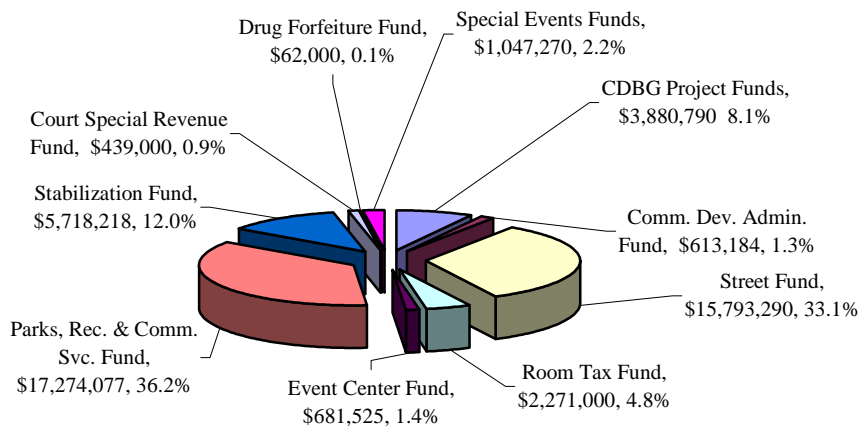


Type of Expense	Amount
Salaries	85,193,486
Benefits	37,195,496
Services and Supplies	23,821,325
Capital	250,000
Retired Emp. Trust, Debt Service and Other	30,305,868
Total	176,766,175

Special Revenue Funds

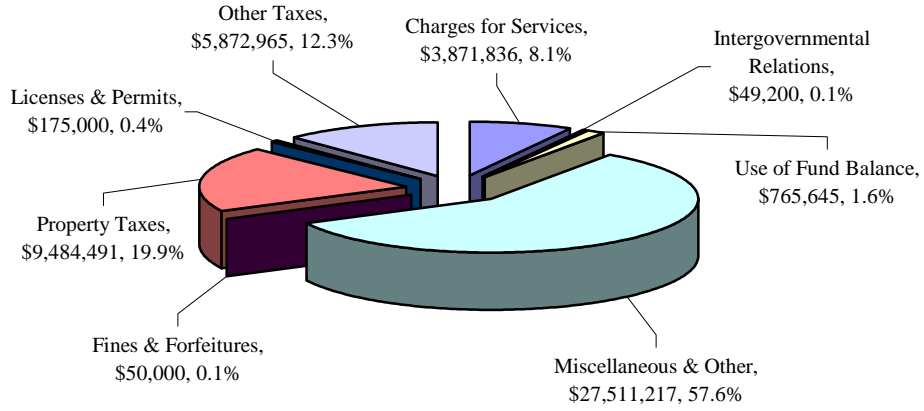
Special Revenue Funds are used to account for resources that are subject to certain legal spending restrictions. Not all funds receive revenue from all sources or have expenses in all areas. Only those revenue sources and expense areas with activity are shown.

Total by Fund \$47,780,354

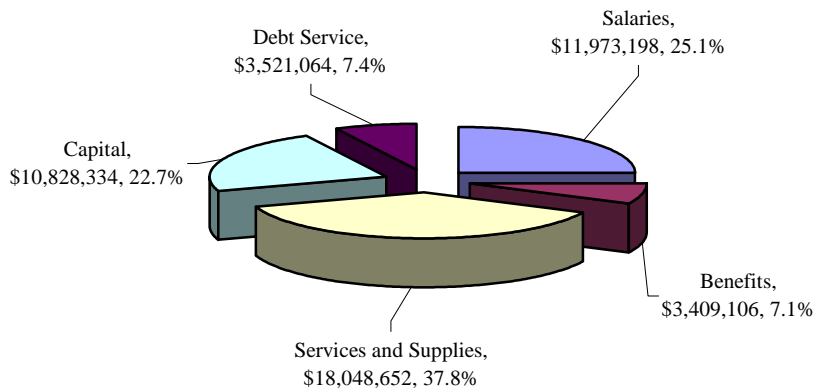


Special Revenue Funds

Revenues by Source

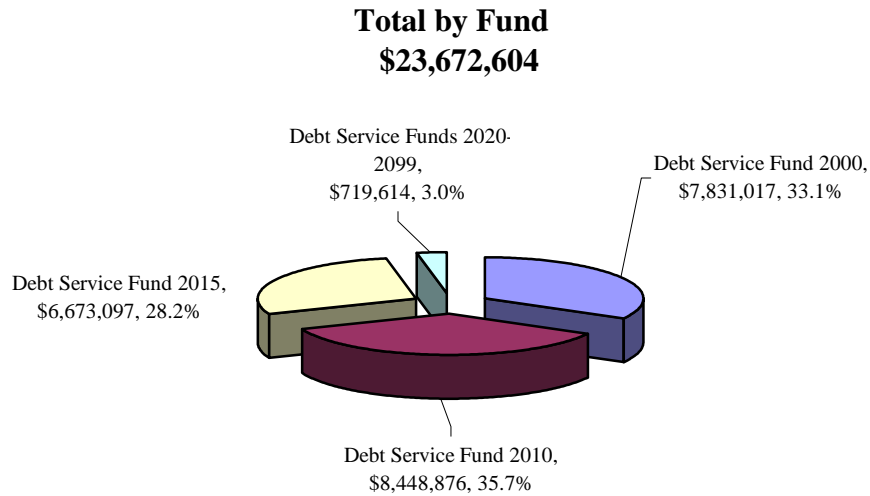


Expenses by Type



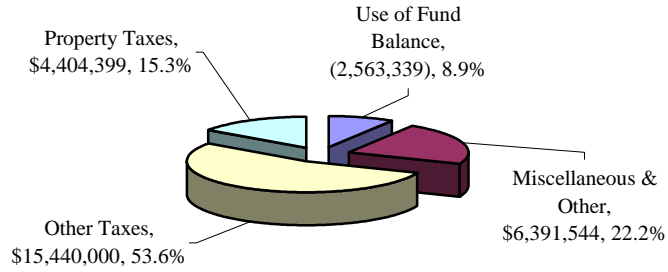
Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessments. Not all funds receive revenue from all sources or have expenses in all areas. Only those revenue sources and expense areas with activity are shown.

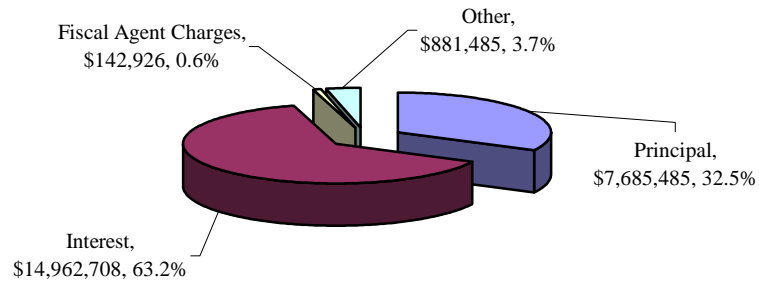


Debt Service Funds

Revenues by Source



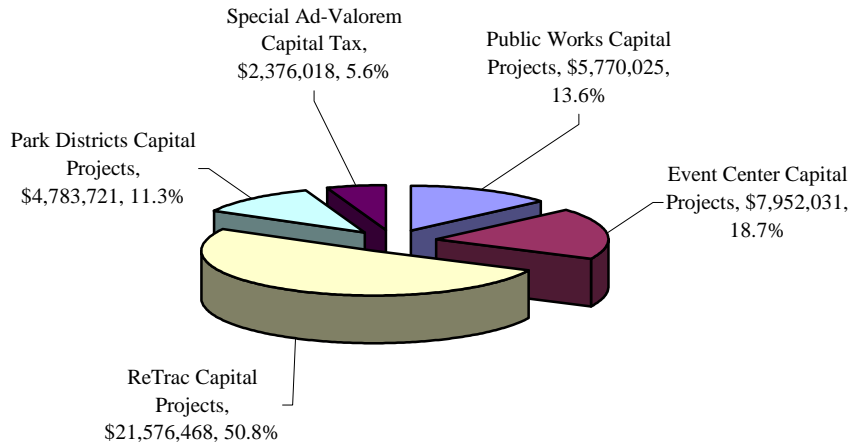
Expenses by Type



Capital Projects Funds

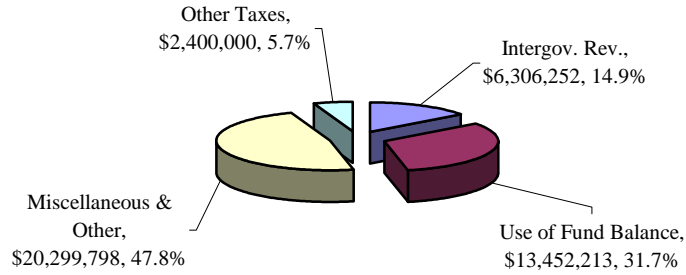
Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by enterprise or trust funds. Not all funds receive revenue from all sources or have expenses in all areas. Only those revenue sources and expense areas with activity are shown.

Total by Fund \$42,458,263

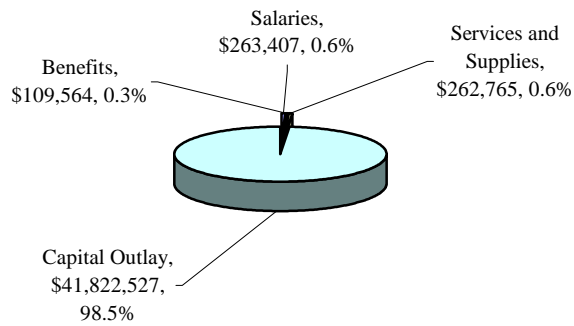


Capital Projects Funds

Revenues by Source



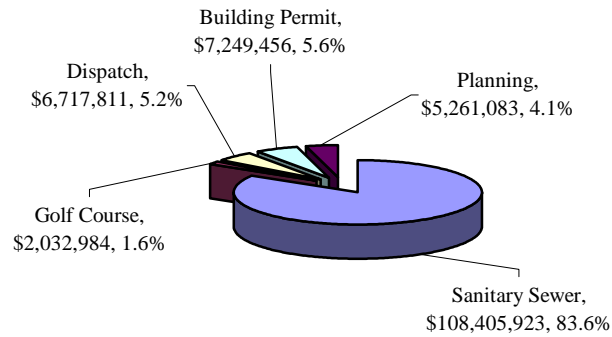
Expenses by Type



Enterprise Funds

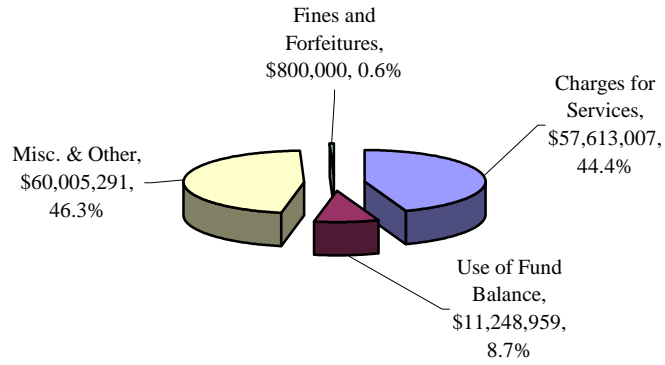
Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. Not all funds receive revenue from all sources or have expenses in all areas. Only those revenue sources and expense areas with activity are shown.

Total by Fund \$129,667,257

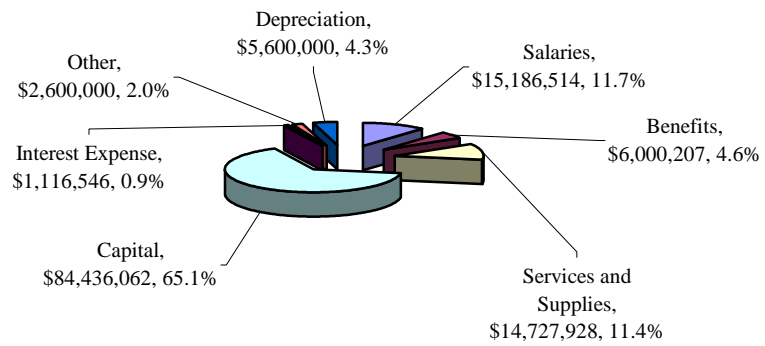


Enterprise Funds

Revenues by Source



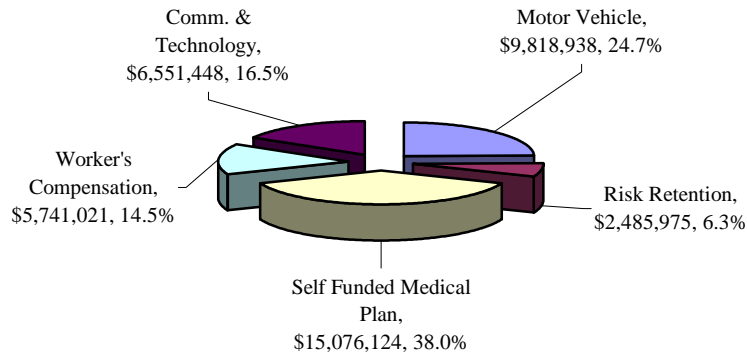
Expenses by Type



Internal Service Funds

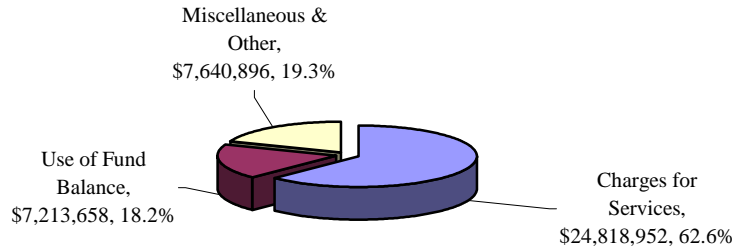
Internal Service Funds are used to account for the financing of goods or services provided by one department to another department. Not all funds receive revenue from all sources or have expenses in all areas. Only those revenue sources and expense areas with activity are shown.

Total by Fund \$39,673,506

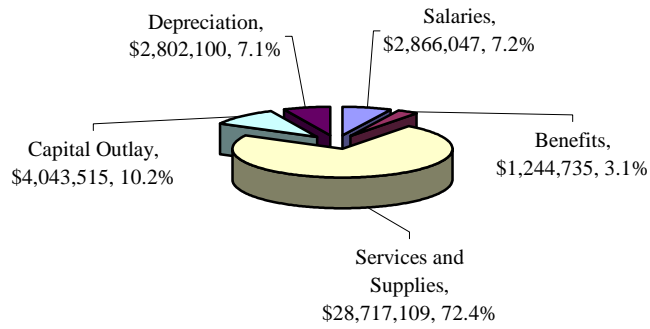


Internal Service Funds

Revenues by Source



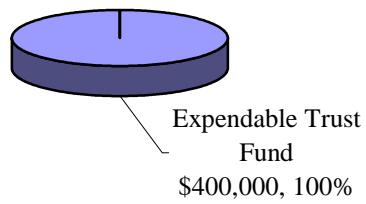
Expenses by Type



Trust Funds

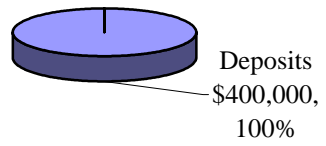
Trust Funds are used to account for assets held by a government in a trustee capacity. Not all funds receive revenue from all sources or have expenses in all areas. Only those revenue sources and expense areas with activity are shown.

Total by Fund
\$400,000

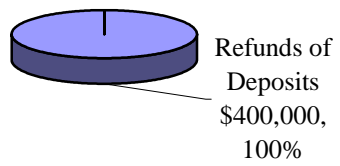


Trust Funds

Revenues by Source

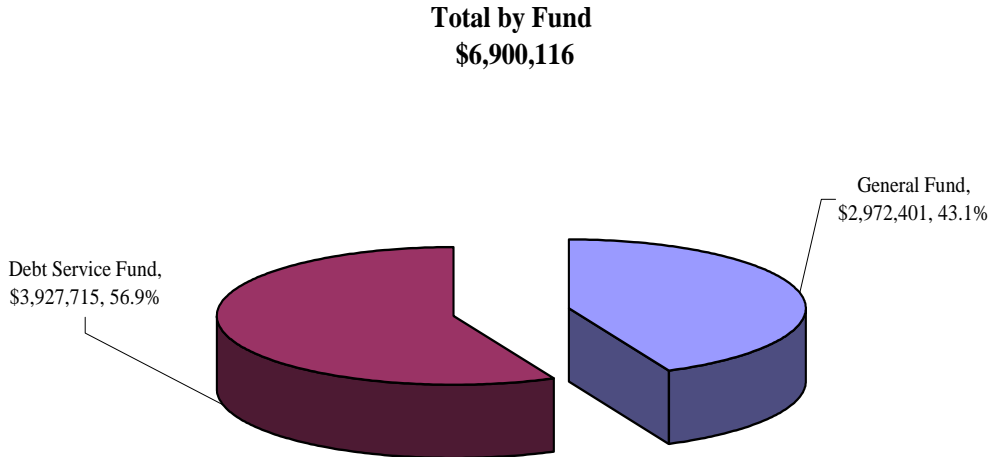


Expenses by Type



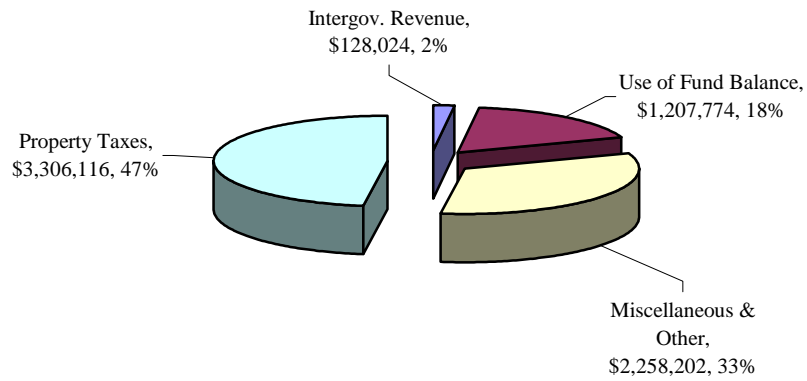
Redevelopment Agency Funds

Redevelopment Agency Funds are used to account for the financing of goods or services provided by the agency or to make debt payments. Not all funds receive revenue from all sources or have expenses in all areas. Only those revenue sources and expense areas with activity are shown.

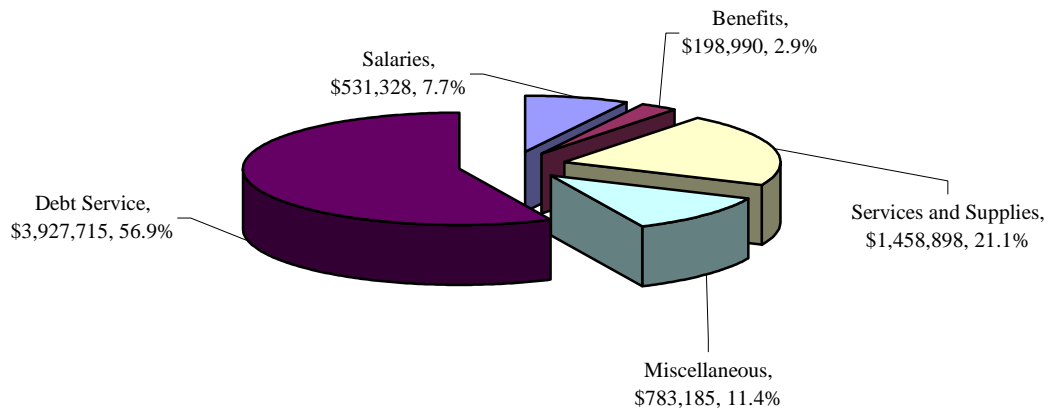


Redevelopment Agency Funds

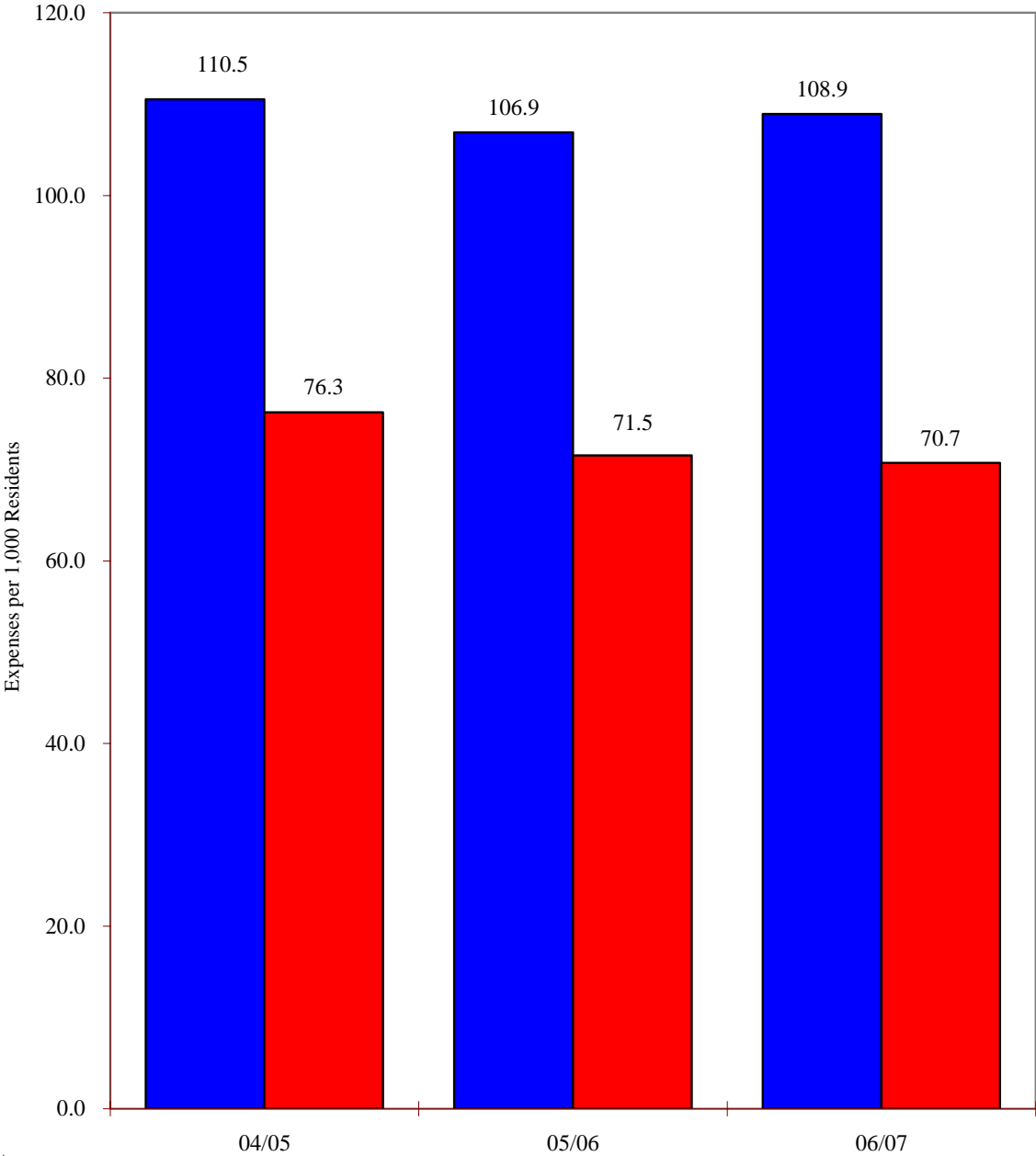
Revenues by Source



Expenses by Type



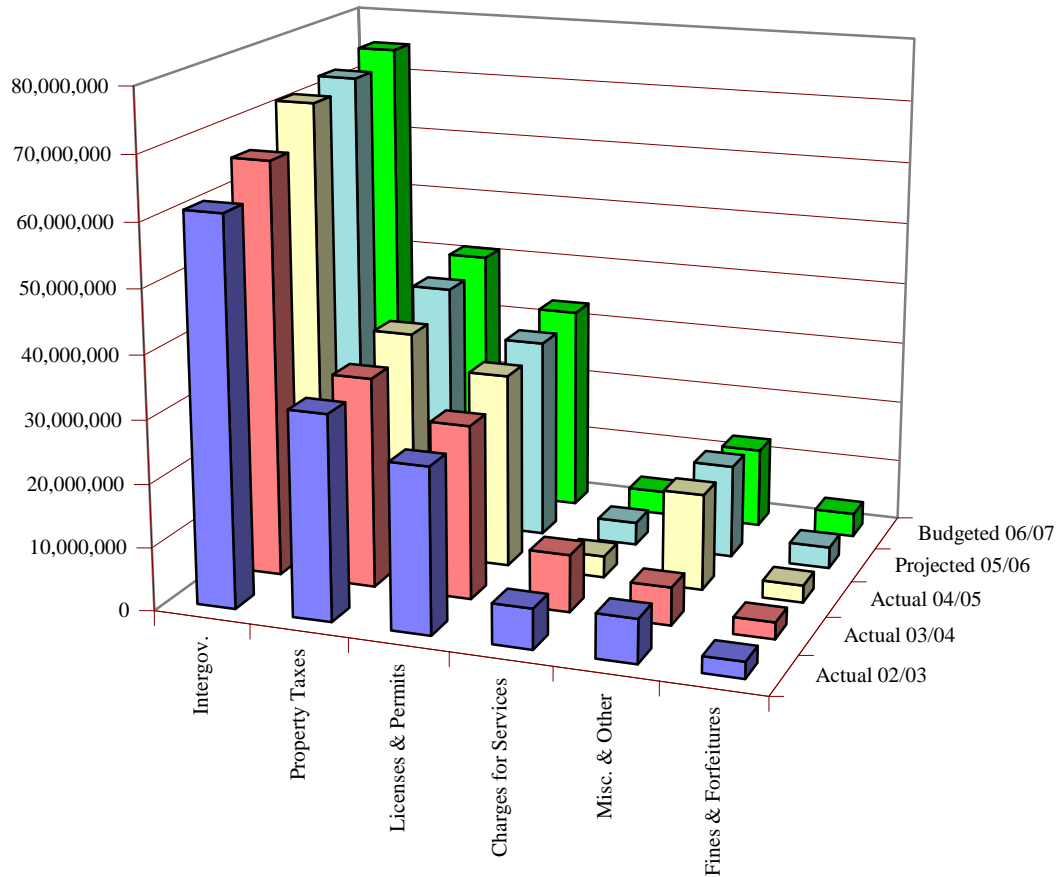
**EXPENSES PER CAPITA
FY 2004/2005 - FY 2006/2007
(Values in Thousands)**



- Notes:
1. FY 04/05 is actual data; FY 05/06 is projected; and FY 06/07 is budgeted.
 2. Excludes capital outlay, capital projects, debt service, consolidated fire department, and non-departmental expenses.
 3. Excludes Federal Revenue Sharing and Sky Tavern Enterprise Funds.
 4. Adjustment for constant dollars uses annual CPI.

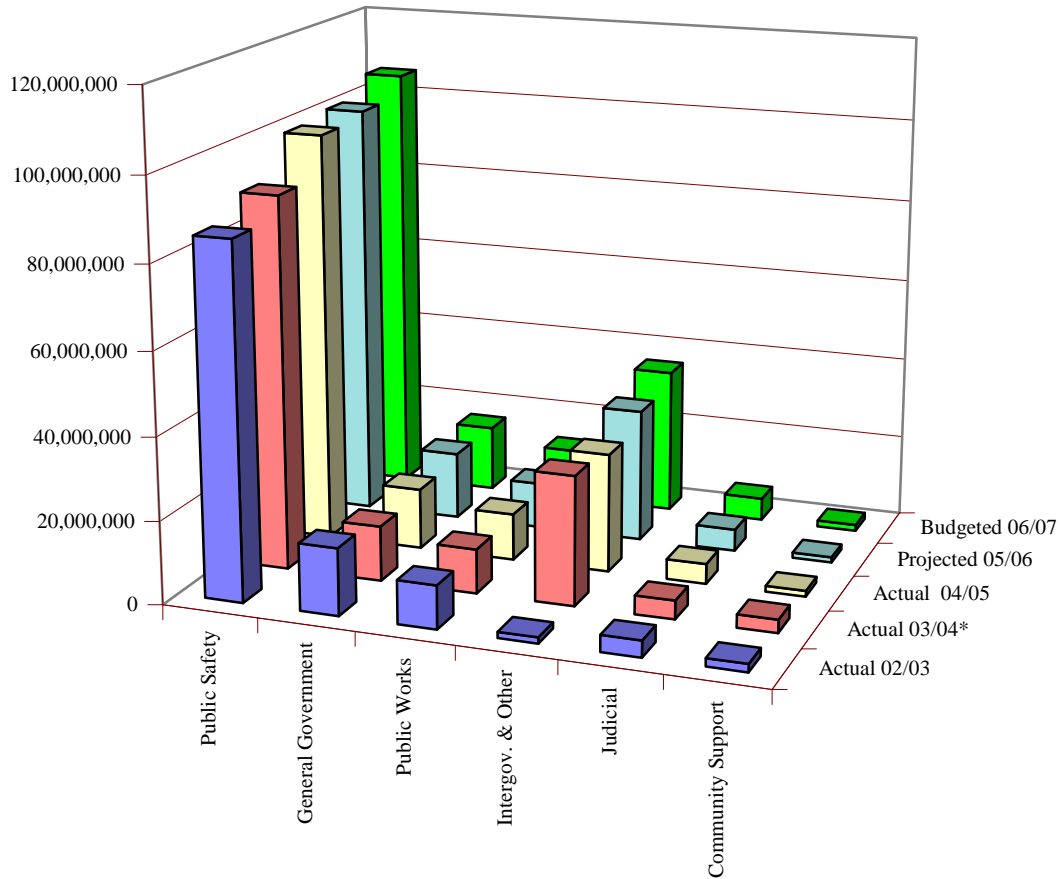
■ Actual Expenses
■ In Constant (1989) Dollars

General Fund Major Revenues Five-Year History



	Intergov.	Property Taxes	Licenses & Permits	Charges for Services	Misc. & Other	Fines & Forfeitures
Actual 02/03	61,179,801	32,410,010	26,163,095	6,364,271	6,939,772	2,612,231
Actual 03/04	65,829,186	33,370,361	27,590,960	9,110,159	6,019,975	2,656,376
Actual 04/05	71,763,415	36,173,857	30,960,509	3,395,478	15,337,657	2,721,899
Projected 05/06	73,004,541	39,538,230	32,033,498	3,685,357	14,925,784	3,434,000
Budgeted 06/07	75,091,051	41,140,416	33,128,992	3,809,013	12,784,551	3,763,050

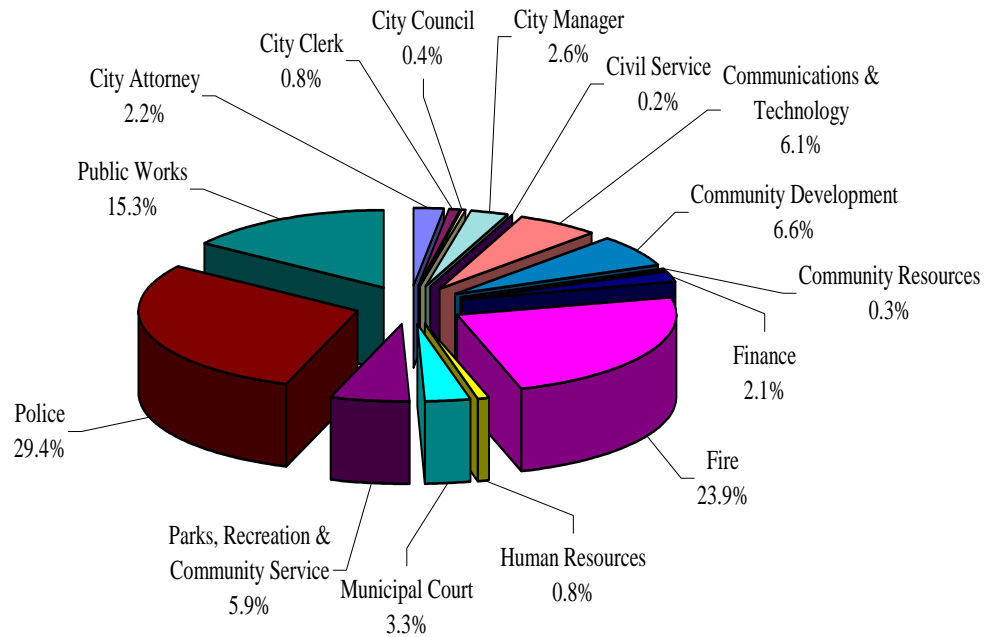
General Fund Expenses Five-Year History



	Public Safety	General Government	Public Works	Intergov. & Other	Judicial	Community Support
Actual 02/03	85,435,303	16,232,524	10,492,201	1,451,756	4,017,116	1,965,651
Actual 03/04*	90,208,872	13,334,823	10,712,769	31,214,139	4,523,548	3,190,511
Actual 04/05	99,651,588	14,765,890	11,330,202	28,869,289	4,915,250	1,411,456
Projected 05/06	101,092,896	16,395,387	11,179,002	32,346,908	5,340,751	1,284,251
Budgeted 06/07	105,802,719	16,067,793	12,434,024	35,532,134	5,481,453	1,448,052

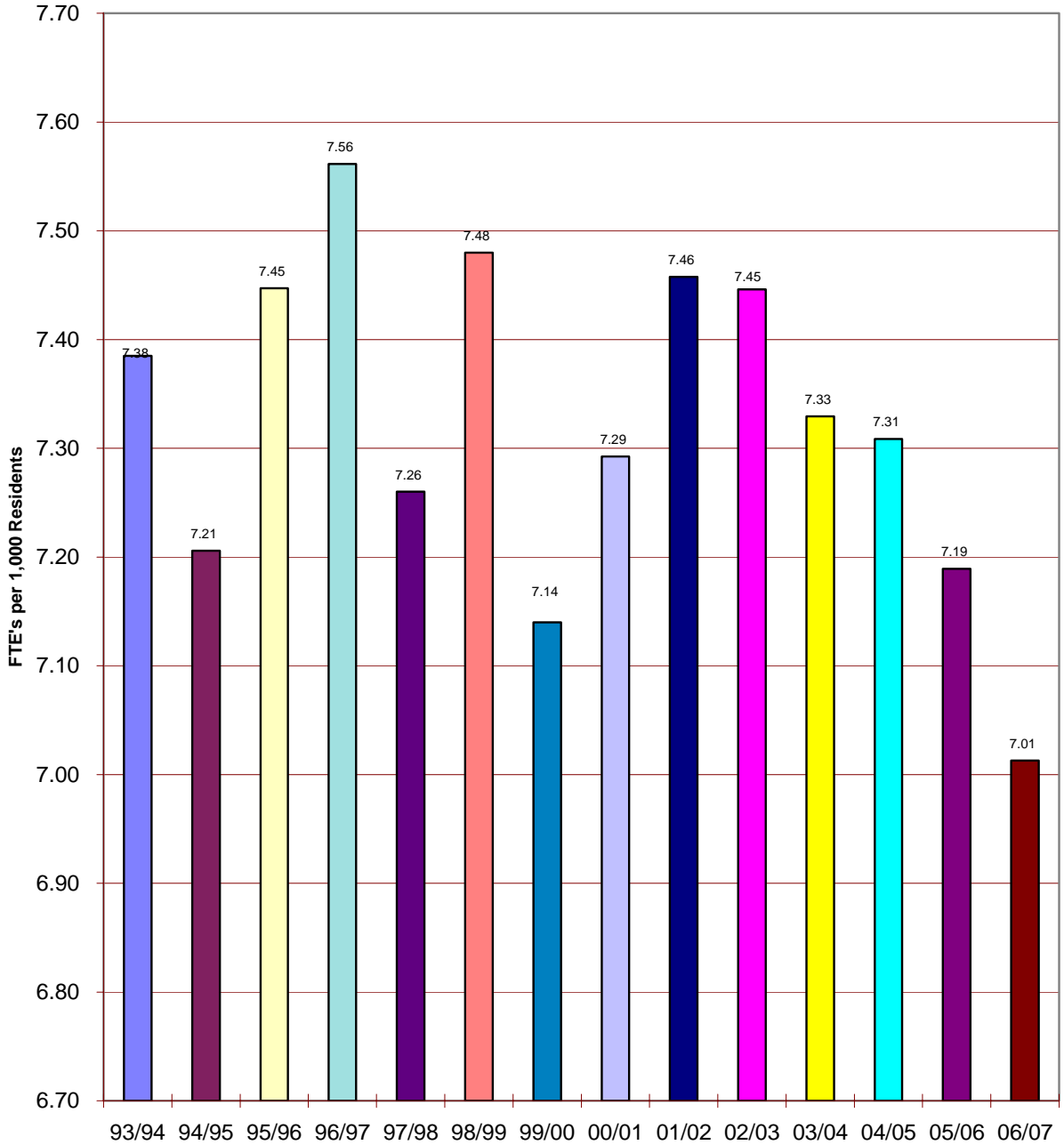
*In FY 03/04, the City of Reno began reporting transfers between funds as part of the total expenditure amounts.

City of Reno - Workforce by Department
Total 1,595.15 FTE's



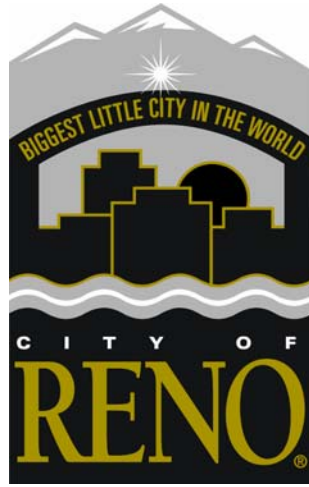
<u>CITY DEPARTMENT</u>	<u>#EMPLOYEES</u>
City Attorney	35.00
City Clerk	12.00
City Council	7.00
City Manager	42.00
Civil Service	3.00
Communications & Technology	97.75
Community Development	104.80
Community Resources	5.25
Finance	32.75
Fire	381.70
Human Resources	12.50
Municipal Court	53.40
Parks, Recreation & Community Service	93.75
Police	469.50
Public Works	244.75
Total	1,595.15

**AUTHORIZED POSITIONS (FTE's) PER CAPITA
FY 1993/94 - FY 2006/07**



Notes:

1. FTE and Population data as of July 1 of each fiscal year.
2. FTE's represent permanent employees only, not temporaries; excludes Redevelopment staff transferred to City in 96/97 and additional staff to supply TMFPD and TMWA contracts.
3. Earlier 02/03 data provided to Council was based on actual number of filled positions not funded positions as indicated here.



THIS PAGE FOR NOTES