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Citizens of Reno, Honorable Mayor, and Members of the Reno City Council:

I am pleased to present to you the Fiscal Year (FY) 13/14 financial plan for the City of Reno. This document reflects a \$385 million city-wide budget (including the Reno Redevelopment Agency) and a \$164 million General Fund operating budget, including transfers. This operating plan reflects the strategic direction set forth by the Reno City Council and incorporates the direction given by the City's governing body at the formal adoption hearing that was held on Tuesday, May 21, 2013.

The City of Reno entered the FY 13/14 budget cycle poised to avoid significant service or staff reductions for the second year in a row but with continued slow economic recovery, we were once again presented with little to no funding available to improve key services. As a result of expenditures continuing to surpass revenues, necessary measures were established to balance the budget. I have initiated the freezing of existing, vacant positions; General Fund fleet purchases have been halted; and Community Pride Grant funding has been reduced and redirected in FY 13/14.

With the hope that this will be the fifth and final year of substantial revenue challenges for the near future, controlling expenditures and building adequate reserve levels for future economic downturns remains our primary focus. Additionally, as we recover, attention to neglected liabilities such as capital maintenance and retiree health funding will continue to be an organizational priority.

Revenues. Property tax, or Ad Valorem, one of the City's two primary revenue sources, is projected to come in essentially flat with a decline projected of only 0.2% in the current fiscal year. The other major revenue source, Consolidated/sales tax (CTAX) is budgeted to increase 2.5% over FY 12/13 as we remain cautiously optimistic that this revenue source improves. FY 12/13 realized 11 out of 12 months of positive CTAX growth with December, historically the largest collection month, being short nearly 10 percent over the prior December. Despite the December anomaly, we continue to project conservative growth in this area and will monitor CTAX, as well as all of our revenues, closely as the FY progresses.

Expenditures. For the first time, Departments were asked to perform a two-year projection of their anticipated expenditures. As we become a more strategy-focused organization, working towards a two-year budget will provide an important tool as we anticipate and plan for needs beyond the immediate Fiscal Year. In addition to multi-year budgeting, the implementation of a long-term revenue forecasting model is another fiscally-sustainable strategy I have initiated in the past year. With the establishment of regular meetings of key members of the governmental, business, and educational community, the City of Reno has demonstrated fiscal leadership and accountability in looking at a regional picture of economic health and vitality.

In November 2012, IBM selected Reno as one of only 33 cities to receive a Smarter Cities Challenge grant. As a result, five global IBM experts convened in Reno and worked together to provide recommendations for our region. Implementation of the recommendations will assist as we continue on our journey toward revitalization and fiscal stability through action.

The Reno budget is prepared to allow residents to understand how their tax dollars are being spent within the community as well as defining deliverables for city staff to carry out the priorities established by Council on behalf of the citizens. This budget document describes the resources, by department and by program, for the upcoming fiscal year and also describes various initiatives within each department as well as milestones for their completion.

Vision:

The “Biggest Little City in the World” offers exceptional quality of life, culture, and a vibrant, diverse economy.

The City Reno Council developed priorities to support the City’s Vision, and the budget document is the resource plan to achieve those priorities and drive the vision.

Council Priorities:

- Provide Safe and Livable Neighborhoods
- Provide Efficient and Responsive City Services
- Promote a Sustainable and Vibrant Economy
- Enhance Communication and Community Engagement

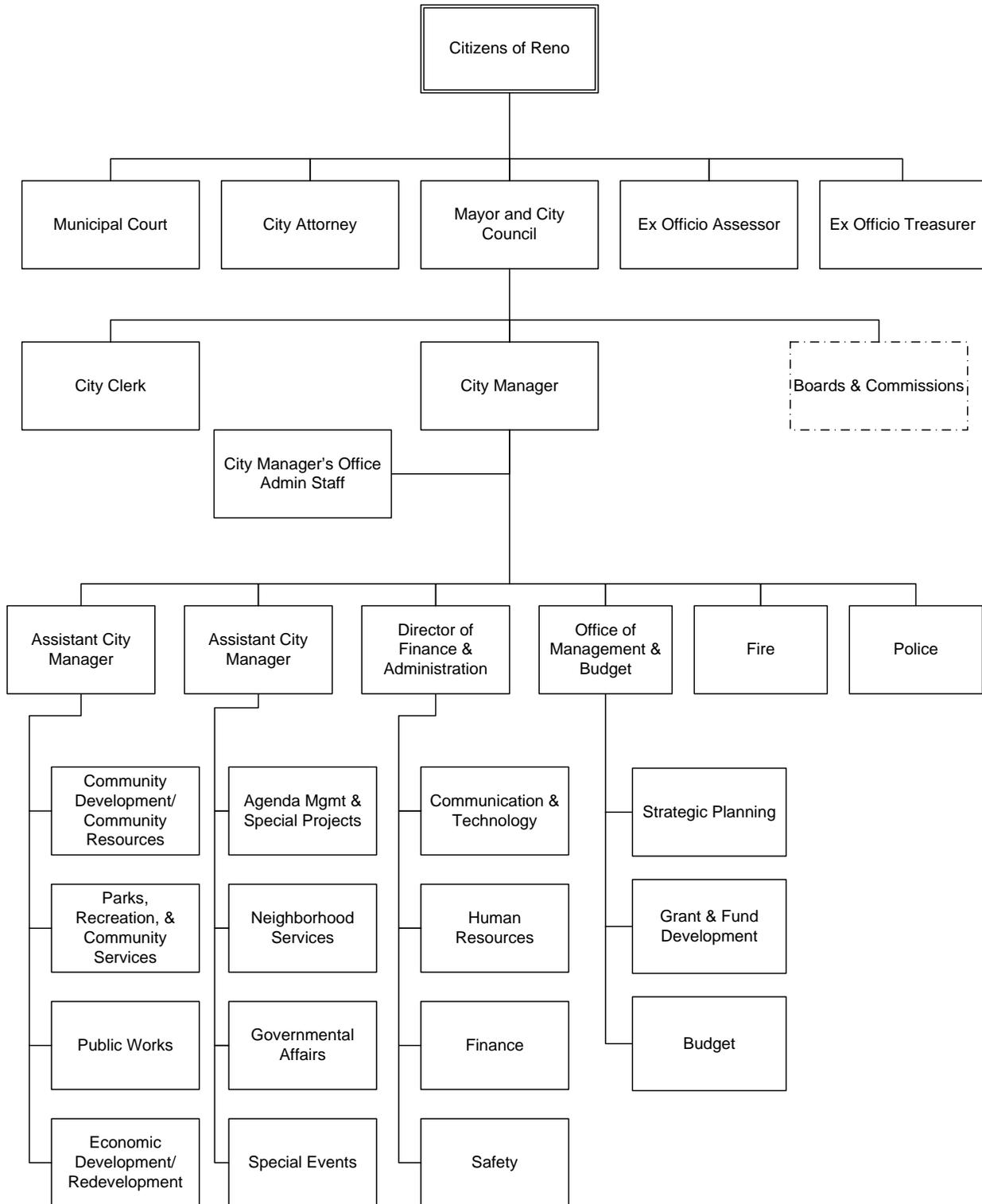
I would like to thank our employees for their active participation in and valuable contributions to the development of the FY 13/14 budget. As an organization committed to providing exceptional core services to our community, the employees remain the city’s most critical resource. I extend appreciation to the Office of Management and Budget for their diligent work on the City’s budget and efforts in balancing competing needs.

Sincerely,

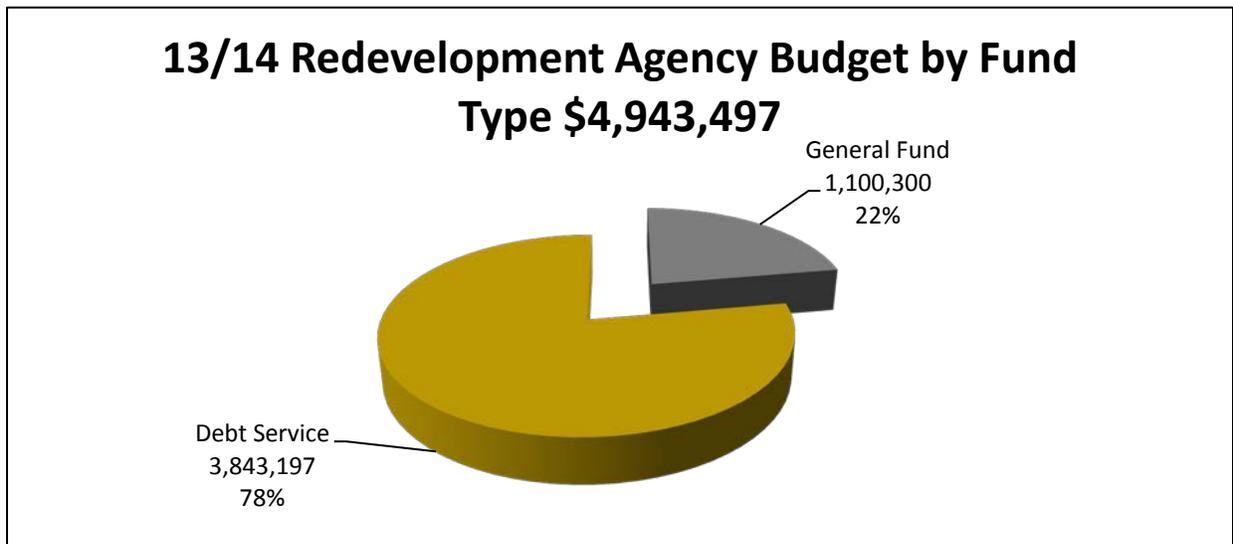
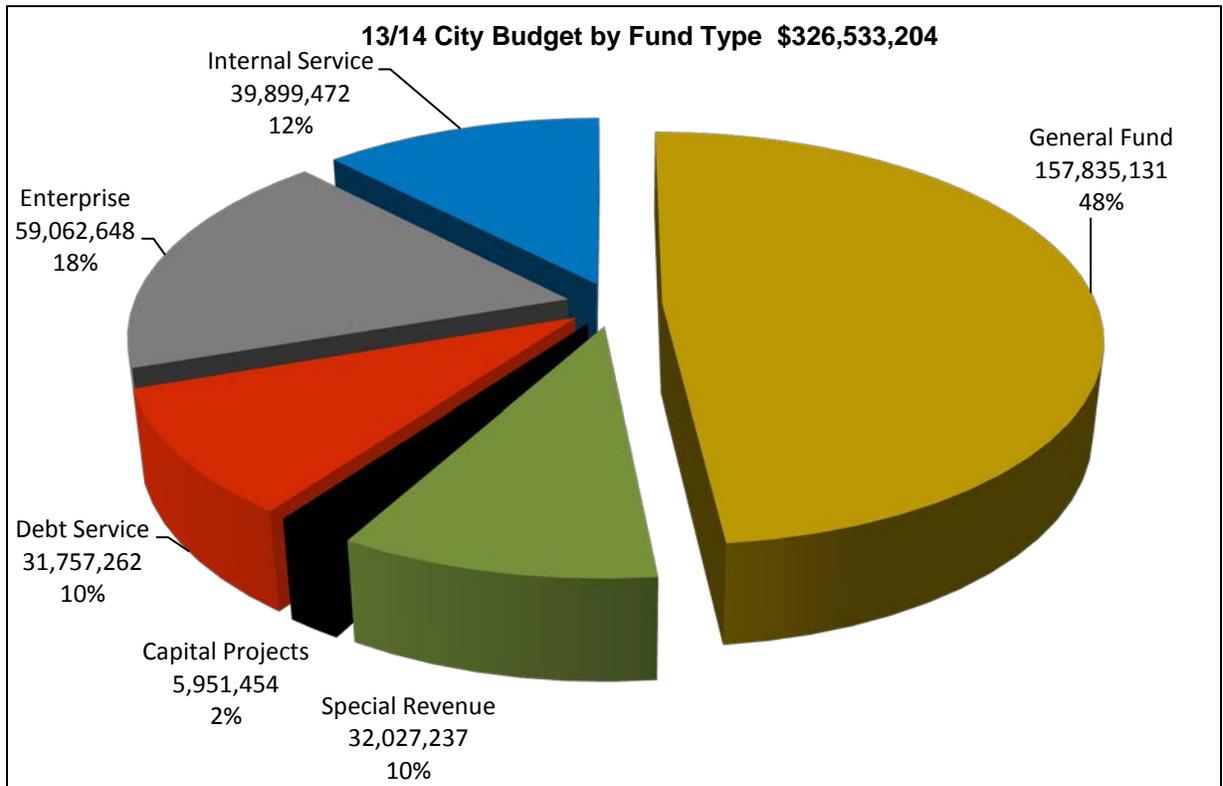


Andrew Clinger
City Manger

City Organizational Chart



Budgets by Fund Type



The City of Reno's Vision, Mission and Priorities

CITY VISION STATEMENT

“The Biggest Little City in the World” offers exceptional quality of life, culture, and a vibrant diverse economy.

The Reno city government aspires to be as exceptional as our city is. Our vision is to have a city government that works to enhance our city’s quality of life by listening to and valuing the needs of all citizens. When we can listen to the needs of the people and provide them with the services and leadership they’re asking for, then we’ll have a city government that truly reflects the best qualities of the place we call home.

CITY MISSION STATEMENT

To efficiently provide the highest level of service responsive to our community and to enhance the quality of life and economic vitality.

COUNCIL PRIORITIES

- Provide safe and livable neighborhoods
- Provide efficient and responsive city services
- Promote a sustainable and vibrant economy
- Enhance communication and community engagement

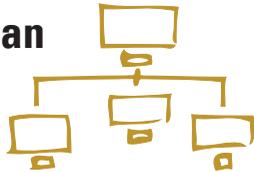
#THINKRENO



#ThinkReno is a city-wide culture change based on **innovation**. There are two efforts, **strategic planning** and **citizen engagement**, working in tandem to create an innovative Reno.

Strategic Plan

- Priorities
- Goals
- Tactics
- Measurements



Citizen Engagement

- Idea Sharing Portal
- Town Hall Meetings
- Action Teams
- Boards/Commissions



Result: By establishing a culture of **innovation** through **strategic planning** and **citizen engagement**, Reno will become a smarter and more efficient city, and therefore a better city and region to live and work in.

Engaging Principles

- Innovative
- Effective
- Accountable



Engaging Principles

Innovative. Effective. Accountable.

Part 1: Strategic Planning/Priorities

■ Provide Safe and Livable Neighborhoods

1. Enhance networks that sustain community partnerships.
2. Ensure a safe and livable community by providing quality public safety services.
3. Protect and invest in parks, streets, community assets and infrastructure.

■ Provide Efficient and Responsive City Services

1. Develop and implement fiscally sustainable practices.
2. Effectively deliver the services that citizens need and are willing to support.
3. Provide an environment that promotes accountability and responsiveness through continuous self-assessment.

■ Promote a Sustainable and Vibrant Economy

1. Make Reno a "University Town."
2. Make Downtown a desirable place to live, work and play by embracing and promoting the "urban" character of Reno.
3. Be a catalyst and not a gatekeeper organization by focusing on support business growth and becoming a leading edge City.

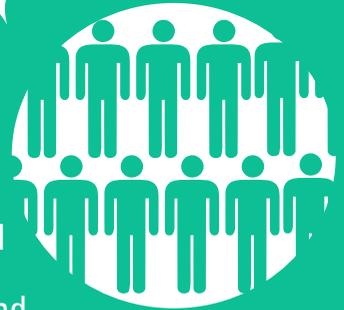
■ Enhance Communication and Community Engagement

1. Provide effective external communications.
2. Foster an engaged community.
3. Support and improve internal communications.

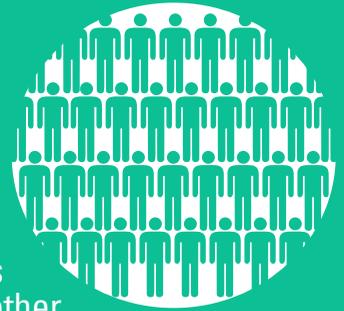
Part 2: Citizen Engagement/Ideas

Residents, neighborhood leaders and people interested in making Reno a better place are asked to share ideas and work with City Council and Staff in establishing an action plan. Residents can do this by sharing ideas at Reno.gov/ThinkReno or attending a #ThinkReno Town Hall with City Council Members (schedule available at Reno.gov/TownHalls)

#THINKRENO



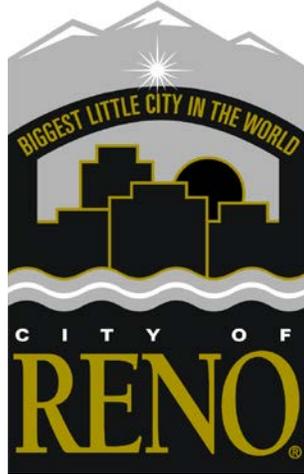
City Council and Staff establish and implement a strategic plan.



Residents share ideas with each other, City Council, and City staff.



The result is an innovative, more efficient Reno.



THIS PAGE FOR NOTES