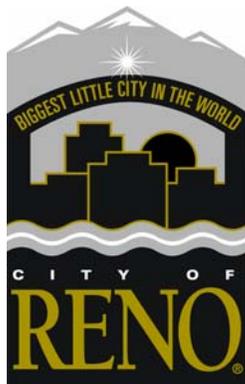


SECTION I
—
INTRODUCTION

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May 3, 2007

Honorable Mayor and Members of the City Council:

I am pleased to present the City of Reno's proposed operating plan for Fiscal Year 2007/08, which details a \$478.1 million city-wide budget, including the Redevelopment Agency, and a \$188.2 million General Fund operating budget, including transfers. This is the tenth year that the City has produced a program based budget. This format makes the budget a meaningful policy tool for the City Council and allows the residents of Reno to know what will be accomplished as well as the resources necessary for individual programs in the upcoming fiscal year. This is the sixth year that the budget document has included each department's business plan (program goals and strategies). This process provides a direct link between the planning of programs and the implementation of those programs in the budget. The City will be completing a new, six-year business plan during this fiscal year.

Sales tax revenues so far this year have reflected a softening of the economy in Nevada. Sales tax revenues in the areas of auto sales and area construction have remained major contributors to sales tax revenue thus far in the 2006/07 fiscal year, though declines in each of these areas have occurred. These declines, with a slight overall increase in total revenues, continue to prove that sales tax revenues, by their nature, can be volatile. This is why the proposed FY 2007/08 budget continues to reflect a moderately conservative estimate for this and other revenue sources. I feel that continuing the philosophy of restructuring of resources and refocusing of service efforts, which have been an emphasis throughout my time with the City, remains the most prudent business direction at this time. Our provision of services is based upon how well we can structure our operation to continue to make it more efficient and customer-service oriented. This budget continues to place emphasis on the Council's annual priorities, strategic planning, quality services, neighborhood services and citizen involvement.

The City will continue to enjoy a strong financial position with both a \$7.1 million Undesignated General Fund Reserve (4%) and a \$6.1 million Stabilization Fund projected at the end of the 2007/08 fiscal year. The anticipated impact of AB489 and SB509 for the 2007/08 fiscal year is \$3.4 million for the City and \$1 million for RDA. AB 489 and SB509 cap property tax bills of owner-occupied single-family residents and low income apartment owners at 3% per year. All other property owners have a cap using a 10-year rolling average or 8% whichever is less compared to twice the CPI. The cap is established at the greater of the two. This means that, for FY 2007/08, Reno will have \$4.4 million less for services than was the case prior to the passage of these two bills in 2005. Since passage of the AB489 and SB509 caps, the City has lost approximately \$7.7 million.

Operational Improvements/Savings/ Service Level Enhancements/Council Priorities

The proposed budget includes a number of proposed operational improvements and savings programs such as internal audits of the City Clerk's Department and the Redevelopment Agency; and a proposed cap on expenditures in the continuance of the 2% departmental holdback plan.

The proposed budget also reflects service level enhancements consisting of the funding of forty-seven and one-half (47.5) new positions in the following Departments: City Manager; Communications and Technology; Community Development; Finance; Fire; Municipal Court; Parks, Recreation, and Community Services; Police; Public Works; and Redevelopment. The majority of these positions are public safety-related that must be added to maintain safety service levels going forward. A large portion of the funding for the additional safety-related positions became available as a result of monitoring the effects of AB489 for the past two years. In prior years, more conservative estimates were used in reflecting the abatement that would result from AB489 and SB509. This was due to the fact that the County was still struggling with the calculation methodology. Now that the County has addressed this issue and now has two years of experience, staff has a higher comfort level with the property tax amounts provided by the County. Consequently, the property tax revenue estimates are not as conservative as was the case in the past. This change has resulted in additional funding used to support the safety-related positions recommended in the 2007/08 budget.

In the Police Department, five Police Officers and a Sergeant position have been added in accordance with the five-year staffing recommendations approved by Council in November, 2004. During the past seven years, the Council has authorized over fifty additional police officers. In addition, two Transcriber positions are being added to transcribe police reports for patrol officers. These positions are being funded with savings in temporary salaries previously used for transcription services.

The Fire Department includes the addition of an Emergency Management Administrator and fifteen firefighters for staffing the Somersett fire station. The Emergency Management Administrator would plan, organize, implement, monitor and evaluate the City of Reno Emergency Management Program.

In the Community Development Department, an additional code enforcement officer will be utilized to focus on the Redevelopment areas (RDAs), primarily in the downtown area. This additional focus will improve the service levels in these areas, as well as the service levels in other areas of the City, as the officers currently assigned will no longer have to address the redevelopment areas within their NABs. This will provide officers more time to address their entire NAB and Ward.

In the Public Works Department, two Maintenance Worker I positions in Facility Maintenance; a Plant Operator Grade IV at the Stead Water Reclamation Facility; a Maintenance Worker III in Street Sweeping; two Maintenance Worker I positions in Pavement Maintenance; and two Maintenance Worker I positions in Paint and Sign have been added. The two Maintenance Workers in Facilities will allow more efficient utilization of staff, especially in the areas where two workers are needed for safety purposes. The addition of the upgraded Plant Operator is necessary due to the plant expansion and required technical skills in the operation of the plant.

The additional Maintenance Worker for street sweeping is needed to meet the activity guidelines time table. In the areas of Pavement Maintenance and Paint and Sign, four temporary positions are being converted to four permanent Maintenance Worker I positions to maintain service levels that have increased due to the roadway miles gained in the past few years.

In the Parks, Recreation and Community Services Department, a Hanging Baskets/Park Maintenance Worker I position, a Community Services Crew Leader, a Trails Coordinator and one Senior Tree Maintenance Worker position have been added. The Hanging Baskets/Park Maintenance Worker I position will expand the hanging basket program to 4th Street and other downtown locations. The Community Services Crew Leader will oversee community services crews performing cleanup and minor maintenance along trails and in open space and parks. The Trails Coordinator will assist in the implementation of the Open Space and Greenways Plan with an emphasis in planning for and acquiring trail easements and coordinating trail construction. The Senior Tree Maintenance Worker will function as a crew leader to allow two crews to keep up with the pruning demands due to an increasing tree inventory.

In Redevelopment, an Economic Development Manager and a Homeless Coordinator/Housing Resource Specialist are being added. The Economic Development Manager will be funded by Redevelopment Area 2 and will assist with implementation of the City Council/Agency Board's recently approved list of priority projects and new redevelopment projects. The Homeless Coordinator/Housing Resource Specialist will focus on homeless issues as it relates to implementing the ten-year Plan to End Homelessness, provide oversight of the Community Assistance Center, and serve as the City's liaison to the service providers which make up the Reno Area Alliance for the Homeless (RAAH).

In the City Manager's office, an Administrative Secretary position has been added to assist the recently hired Assistant City Manager. This position will provide the scheduling, communication and clerical support necessary for this member of the City's executive team. In the Office of Community Relation's Public Information program, a Public Communication Specialist has been converted to a permanent position to enhance communications with citizens on issues such as flood control, water quality, and Truckee Meadows Water Reclamation Facility issues.

In the Communications and Technology Department, a Geographic Information Systems (GIS) Analyst and an Audio Video Technician have been added. The GIS Analyst will be utilized to maintain and support the ongoing creation of an enterprise GIS database and maintain a citywide internet map server. The Audio Video Technician will maintain and manage in-house audio/visual equipment used in the Council Chamber, Municipal Court and most City conference rooms.

In Municipal Court, there will be two additional full-time Court Specialists, two part-time Court Specialists, and one additional Marshall. The addition of the Court Specialists positions will provide sufficient clerical staff to relieve the Marshalls of the clerical and civilian functions that have prevented them from performing full-time Marshall duties. This, in combination with the additional Marshall position, will allow the Marshall teams to return to warrant service functions.

It is anticipated that warrant service, court order enforcement, and fines and fee collections will be increased.

Lastly, in the Finance Department, a part-time Administrative Secretary will be converted to a full-time Secretary/Accounting Assistant position. The position was created as a part-time position in the prior year to provide clerical assistance for the sidewalk vendor program. The remainder of the position would assume sewer-related duties such as liens, lien releases, sewer quotes for titles companies, etc.

The Council Priorities for Fiscal Year 2007/08 are Public Safety, Planning, Communications, Redevelopment, Green and Intergovernmental Cooperation. These priorities have been addressed in the proposed budget in the following manner:

- Phase II of the Community Assistance Center Project will be under construction in FY 2007/08.
- The City's new website will go on-line early in FY 2007/08.
- The number of police officer positions has been increased in keeping with the five-year staffing recommendations approved by Council, to maintain service levels in our growing community.
- Construction of a portion of the public safety portion of the south community service center is scheduled to begin with the construction of a fire station and a police service counter at Veterans and Steamboat Parkways.
- Funding for graffiti removal is included to permit timely removal throughout the City.
- The master plan for the use of properties acquired as a part of the ReTRAC properties will be completed in FY 2007/08.
- The traffic team will continue to increase police presence in the community and address an important community concern by providing additional traffic enforcement.

Some of the continuing priorities which are included in the proposed budget are:

- Maintaining our successful Community Pride Grant Program by providing funding for Neighborhood Advisory Boards to select projects to improve the quality of life in their neighborhoods;
- Providing for increased enforcement of problem areas in the Redevelopment areas, specifically downtown, by adding a code enforcement officer specifically for that purpose;
- Maintaining the current level of support for arts and culture programs and grants; and
- Operating the "4 Steps into the Future" program in conjunction with Hug High School.

Major Challenges in the Next Year

On-going Legislative Impacts

For the current legislative session, there is potential for a reduction in video service provider franchise fees. Local franchise agreements may be replaced by a statutory, State-issued franchise. Local franchise revenue would be retained, but PEG access fees would no longer be collected (which are spent for capital and equipment purchases). This would result in a loss of \$128,000 annually for the next twelve years.

In addition, the City's worker's compensation liability for heart and lung-related illnesses for safety personnel continues to grow at an alarming rate. Based on an actuarial study completed by Mercer, Oliver and Wyman, Reno liability exposure, reflecting claims activity as of June 30, 2004, is estimated at \$492 million. Although this amount is not due now, it will become due over the next 10 years to 20 years as the claims mature. Consequently, the City must begin setting aside funds now to fund these future claims.

It also remains uncertain as to how the State will deal with its transportation infrastructure shortfall estimated to be in excess of \$3.8 billion and whether or not that will result in an impact on local revenues.

Redevelopment and Downtown

The downtown has experienced a loss of assessed value of approximately \$118.4 million since the 1999/00 fiscal year. This equates to a loss of approximately \$3.8 million in tax increment revenues to the Redevelopment Agency. Assuming an average annual loss and today's interest rates, this represents a loss of bonding capacity of between \$5 million and \$7 million. Projects such as the Palladio, the Belvedere, the Colonial Inn, the Montage, Grant's Landing and River's Edge (the theatre corner parcel) will help offset some of this loss. For the 2007/08 fiscal year, RDA #1 assessed values increased by \$17 million per County estimates.

In 2005, Redevelopment Area #2 was established to help eliminate blight and improve economic vitality of seven sub-areas of the City. An infusion of development in these sub-areas will help to maintain the current trend of economic improvement throughout the City.

Community Service Centers

The City Council has approved a new approach in the provision of City services—to decentralize services which are more neighborhood-oriented in order to make services more readily accessible to our citizens. To do this, it will be necessary to construct 3 new community service centers—north, south and central, beginning with police sub-stations in each area and fire stations, where applicable, as the first phase. Since the City's current centralized police station is inadequate to house the Department, given the number of police officers which have been added in recent years, it is important to begin the construction of the first phase of all three community service centers at the earliest possible date. Adequate funding to do this remains a challenge. City staff continues to assess potential solutions to this dilemma.

Major Opportunities in the Next Year

Retail/Mixed Use Projects

Reno is entering into an exciting time with the recently completed Downtown Events Center, the River's Edge, the Palladio, construction underway on a Ballroom to complement the Downtown Events Center, construction on track by Cabela's to build a 125,000 sq. ft. retail sporting goods facility in the west, and the Grand Sierra Resort renovation project, which includes condominiums, a water park, and retail stores.

The Cabela's project requires a very complicated financing plan consisting of the use of STAR bonds, Special Assessment District (SAD) bonds, and Redevelopment Tax Increment bonds. The Cabela's project will be one of the first STAR bonds projects used in the State and, consequently, will require special attention in regards to the timing of the various approval steps

required. These projects will not only provide a large financial boost to the Truckee Meadows region, but will also provide Reno residents with additional amenities for which they currently have to travel long distances to receive.

Capital Improvement Program

The recommended Capital Improvement Plan for FY 2007/08 includes the following highlights:

Street Reconstruction and Rehabilitation	\$5,500,000
Reconstruct Reno Tennis Center	\$250,000
River Access at Grants Landing	\$237,000
Neighborhood Revitalization Program	\$200,000
Neighborhood Traffic Calming	\$50,000
Fire Vehicle Replacement Program	\$1,000,000
Wastewater Plants/Disposal/Reuse	\$51,069,000
Sewer Collection Systems	\$48,567,000
Flood/Drainage Projects	\$3,494,000

As a result of the legislature's actions related to local government finances, a continuation of a conservative financial posture continues to be recommended. Therefore, as in past budget years, we have used conservative revenue growth projections for the FY 2007/08 budget. In addition, it was again necessary to constrain service and supply expenditures for next year to the current year's level with very few exceptions. This budget, however, does contain sufficient funding for the Council's priorities and will allow us to maintain a stable position through the end of the 2007/08 fiscal year. The proposed budget also addresses some major challenges, such as redevelopment and parks and recreation, while taking advantage of opportunities, such as the financial boost the numerous construction projects are expected to deliver over the next year. We will, however, continue to give careful attention to the emerging economic, financial and revenue trends throughout the year to ensure this result.

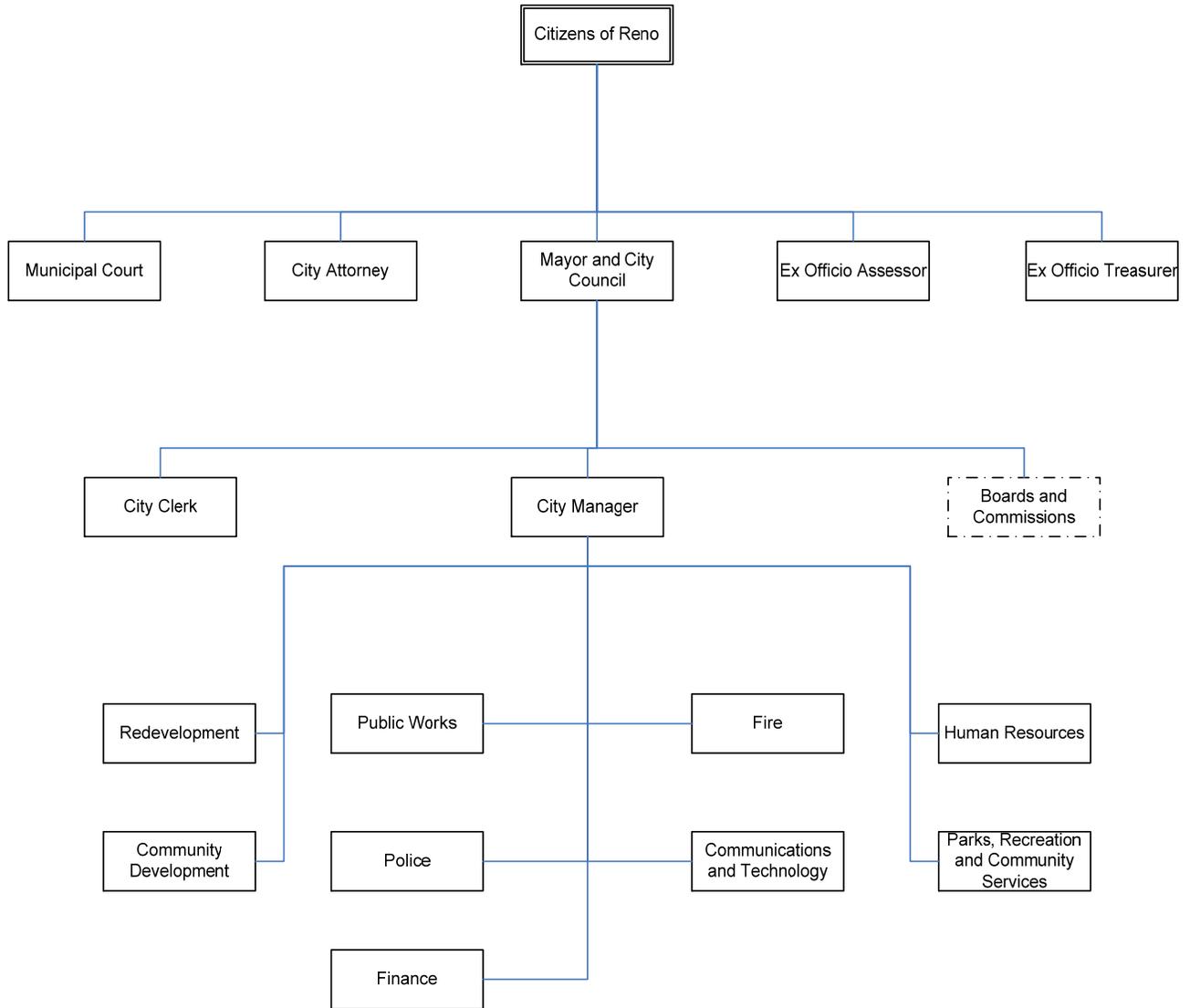
I wish to thank the City Council members for their hard work and determination in setting policy direction for the City. Let me assure you that the City staff and I are dedicated to implementing that policy direction to provide the best quality of life possible for the City's residents. I believe that this proposed budget contains the necessary programs and allocation of resources to accomplish just that.

Sincerely,



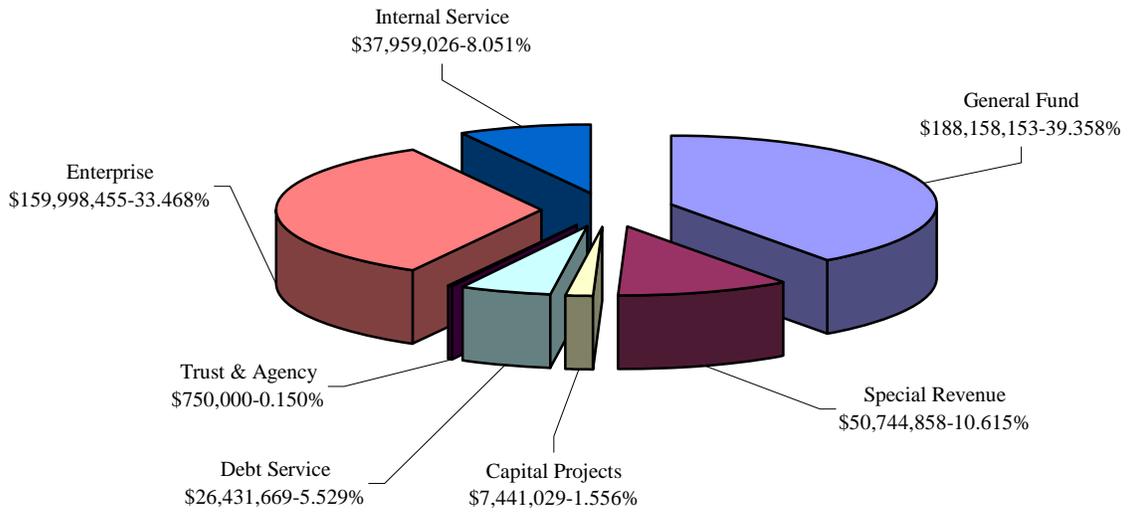
Charles E. McNelly
City Manager

City Organizational Chart

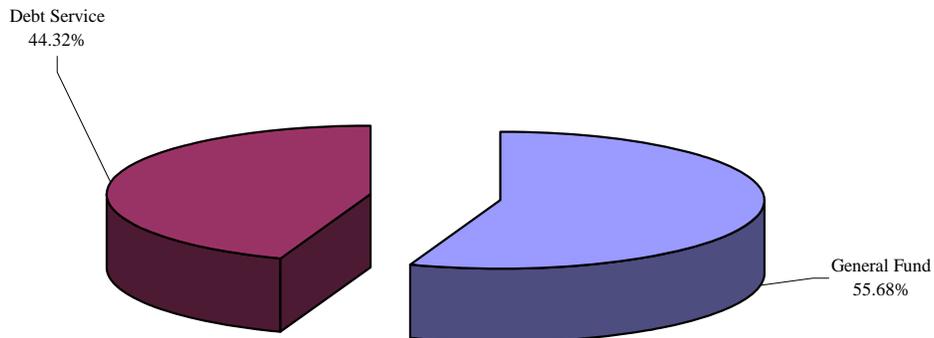


Budgets by Fund Type

07/08 City Budget by Fund Type
\$471,483,190



07/08 Redevelopment Agency Budget by Fund Type
\$6,581,406



The City of Reno's Vision, Values, and Goals

Our **PURPOSE** is to provide community-supported services and programs designed to assure the safety and well-being of all Reno's residents.

VISION:

Reno.. "The Biggest Little City in the World"...the most livable of Nevada cities; the focus of culture, commerce, and tourist activity in Northern Nevada...a city where:

All residents have the opportunity to participate in community decisions.

A vibrant, diversified, economic environment is promoted.

Proactive, responsive, efficient and accountable governmental services are provided for all the people.

A healthy ecological environment is promoted.

Quality education is promoted.

A safe community is maintained.

Intergovernmental cooperation is promoted.

VALUES:

Respect: *To be respectful, cooperative, and inclusive in every contact.*

Responsibility: *To take individual responsibility to be ethical in improving City efficiency, effectiveness, and teamwork.*

Responsiveness: *To be responsive to customers' concerns and implement plans accordingly.*

Results: *To achieve timely, innovative, and tangible results in all City efforts.*

GOALS:

1. Finances: Develop to the fullest potential financial resources.

2. Safety: Promote the safety of the community and a feeling of security among citizens and visitors.

3. Infrastructure: Plan and assure infrastructure reliability and regulatory compliance.

4. Redevelopment: Revitalize downtown Reno as the economic, civic, and cultural center of the community.

5. Efficiency & Effectiveness: Provide for maximum efficiency and effectiveness in delivery of City services.

6. Customer Service: Provide responsive customer service and fair and open public processes.

7. Communication: Promote confidence in the expenditure of public funds by informing, educating, and involving citizens.

8. Leadership: Serve as a leader to promote regional action to ensure effective, efficient and equitable delivery of services for the residents of Reno.

9. Environment: Plan growth which is sensitive to the environment and recognizes significant community resources.

10. Economic Development: Encourage a diversified economic base which provides for long-term economic health and improved quality of life.

The Council's Vision reflects the type of community the City wishes to provide for its residents and visitors. The Values represent the standards of behavior expected of all City employees in the conduct of their duties. The Council's Goals represent the long-term guidelines the City will follow to ensure the Vision becomes reality. The City's programs are set up to meet certain Council Goals.

Each year, the Council identifies certain priorities which establish the programs and services funded for the fiscal year. These priorities may span fiscal years. The City Manager then selects a team to spearhead the City's efforts in meeting the Council's priority programs.

Making Reno Great: Five-Year Objectives

For the past seven plus years “Building a Better Reno” has been part of the focus of the City, departments and employees. In Fiscal Year 2004/05, the City took on a new initiative, “Making Reno Great.” The following is a five year plan that helps to specify what the City will accomplish.

Each Department developed programs that support Making Reno Great as part of the annual budget. The major areas of focus for Making Reno Great are listed in the Program Summary in each departmental budget. The following list defines the major initiatives of focus for Making Reno Great:

Vitality in the Downtown

Develop a vibrant downtown and river front corridor that serves as a neighborhood, a diversified recreation destination, and a place for families to shop, eat, and recreate.

- Prepare a new regional center plan and revised land development code that articulates the vision for downtown and provides a streamlined process for development and redevelopment.
- Diversify the businesses downtown and on the riverfront corridor to include more mixed use development which support the downtown as a neighborhood, business district, recreation and retail destination.
- Encourage active uses along the riverfront corridor.
- Encourage pedestrian-friendly development, especially focused around a major transit access point or public amenity.
- Partner with RTC and other county and state organizations in the conceptualization, design and implementation of bus rapid transit and transit oriented development (TOD) corridors, to support the downtown as a neighborhood and business district.
- Partner with and assist the Redevelopment Agency to identify areas and issues that may benefit from a proactive approach by Code Enforcement, thus enhancing the vitality in the downtown area.
- Facilitate the development of downtown business opportunities; coordinate affordable housing with Community Resources staff; and identify opportunities for high density market rate housing within the redevelopment district.
- Encourage infill development projects along with the adaptive reuse of existing commercial and residential building inventory in order to maximize existing community resources and infrastructure.
- Promote the redevelopment of vacant properties and vacant or substandard buildings.

Infrastructure Well Kept

Anticipate, plan and implement programs to improve the City infrastructure to meet the needs of a growing City, so that the City maintains and improves the quality of life the citizens.

- Continue the investment in improvements of City streets, sewers, lighting, signaling, park and greenbelt maintenance, and sewer treatment; to effectively support the growth and modernization of City infrastructure.

- Partner with RTC and other county and state organizations in the conceptualization, design and implementation of rapid transit and traffic corridors, to support the region with an emphasis on effective commute patterns and alternatives, safe and secure neighborhoods, and well designed pedestrian walkways.
- Continue to plan for and invest in the development of new parks, greenbelts and open space throughout the City to help in the establishment of neighborhoods and open spaces.
- Improve infrastructure to ensure safe, clean and enhanced aesthetics of neighborhoods and communities
- Recognize the value to the City of public improvements that are part private developments and develop an effective program to assure the delivery of quality infrastructure.
- Ensure parking capacity keeps pace with downtown development.

Strong Economy

Partner with business, Washoe County and Sparks, business development organizations, schools and universities, and private organizations to create an environment that attracts a variety of new businesses to the area, with an emphasis on the high technology, medical, scientific and research industries.

- Work in close conjunction with all partners, in the development and implementation of a forward thinking regional plan, to develop business/research centers in the City, Washoe County and Sparks.
- Develop a long range fiscal model for the implementation of the regional plan that encourages economic and job growth, especially in the research and development job sector.
- Partner with the colleges and universities and businesses, to support the emphasis on quality education and technology, by designing and implementing a technology friendly environment through the planned design and use of broadband, wifi, and other high technology infrastructure in regional planning and City projects.
- Provide efficient and effective development processing, permitting and inspections.
- Develop regional center and transit oriented development plans to encourage a streamlined development process in areas targeted for development and redevelopment.
- Establish partnerships with local regional centers; enhance the business attraction and retention program; provide technical assistance program to area businesses to enhance economic development opportunities.
- Continue to develop the Reno Growth Opportunity Fund and other small business financing initiatives; encourage public/private partnerships to attract new businesses and assist existing enterprises; enhance corporate presence in the office core; identify funding sources to finance new programs, projects, strategies, and initiatives.
- Improve processes and develop multiple methods for payment of fees, fines and revenue, to assure they can easily be paid by citizens or collected.

Innovative Leadership

Develop and attract innovative and forward thinking leadership to enhance the City's ability to be great and continuously improve.

- Analyze City service models and recommend and implement approaches that better serve a growing City and the use of new technology and Internet commerce to provide and improve services to citizens.
- Develop and implement succession planning and career planning in each Department of the City to assure advance planning occurs for retirement vacancies.
- Implement a Management Development program that equips leaders to become effective managers to enhance internal recruitment for supervisory and management positions.
- On an ongoing basis, examine and revise internal systems and processes to empower staff to more effectively and rapidly respond to changing conditions (e.g., labor market, changes in the economy, etc.) while maintaining necessary accountability and control.
- On an ongoing basis, examine and revise external systems and processes (e.g., code enforcement, infrastructure maintenance, etc.) to provide for less direct supervision and to promote quicker resolution of problems.
- Empower employees to problem solve by disseminating the authority to address issues.

Opportunities for Arts, Culture and Recreation

Continue to expand art, cultural and recreational opportunities in the downtown art district, while implementing plans for public art, cultural activities and recreation in neighborhood and business areas.

- Expand the use of public art and cultural events to help neighborhoods and business districts develop an identity and bring art to neighborhoods and business districts.
- Evaluate programs offered to citizens and park usage and maintenance, to partner with Sparks, Washoe County and the RSCVA to assure programs meet the needs of the citizens and are economically sustainable.
- Partner with Washoe County and Sparks in a greenbelt and open space plan to assure the quality of life and recreational opportunities for the future of the area.

Neighborhood Excellence

Support the work of citizens, the Council and the City in the development of strong neighborhoods that that have unique identities, high quality education, safe and secure environments, and improve the quality of life for citizens as neighbors and a community.

- Utilize the NABs for citizen input and reaction to programs that will create a great City and neighborhoods.
- Work closely with RenoDirect to provide direct contact with citizens regarding issues and requested services.
- Provide education to the public to promote cleaner and safer neighborhoods.
- Partner with County and community organizations to help neighborhoods develop strong identities and high quality educational and cultural services.
- Partner with other agencies, departments, and community organizations to help neighborhoods develop safe and clean environments for their residents.

RENO CITY COUNCIL PRIORITIES

FY2007-2008

COMMUNICATION

Enhance communications with the residents and businesses in the city and region by proactively identifying emerging issues; improving long-range communication strategies; and communicating more effectively the identified key issues, policy decisions made, and actions taken by the City Council.

PLANNING

Continue to make Reno “A Great City” for our citizens by continuously improving our approach to growth management, neighborhood street rehabilitation, and the provision of parks and recreation facilities.

REDEVELOPMENT

Continue to diversify the downtown experience for residents and visitors alike, work with the private sector to further develop affordable and workplace housing, complete Phase II of the Community Assistance Center, and develop other priority projects as identified by the City Council.

PUBLIC SAFETY

Maintain high level of police and fire protection throughout Reno with special emphasis on methamphetamine issues and response times and develop and implement a funding plan for the public safety portion of the community service centers.

GREEN

Enhance the City’s efforts to reduce its impact on the environment and provide leadership in the community to encourage residents and businesses to join in this effort.

INTERGOVERNMENTAL COOPERATION

Increase cooperation and collaborative efforts with Washoe County, the City of Sparks and the Washoe County School District by fostering elected official-to-elected official discussions regarding issues of common interest to enhance service delivery to citizens.

Strategic Business Planning In Reno: Planning, Budgeting, and Quality Assessment

The City of Reno has put great effort into making sure that our organization stays at par with the private sector in the area of improvements in effectiveness and efficiency. We believe that our organization has accomplished a major transformation by using results-oriented management and performance measurement, and that these methods provide a conceptually convenient and simple vehicle that allows the City to adapt to the new and rapidly changing environment we are all a part of, and to provide our citizens with information that will increase their confidence in government.

The Strategic Business Planning System links together in a single unitary process the annual cycle of the City's significant planning, budgeting, and quality assessment activities. This process coordinates service delivery and assures that each City service provided contributes to the goals and objectives outlined in the City's Vision Statement and the City Council's priorities. The system also provides an open channel to elected officials, the Manager, and other employees with up-to-date information, as well as policy options and alternatives.

Elements of the System

The System is driven by, and aligned with, these major components:

- The Council's vision for the year 2010.
- The Council's Five-Year Action Plans: At the Council's annual retreat, the City Manager and his team present the Council with proposed five-year goals and outcomes designed to implement the Council's vision for the year 2010. The Manager and Council then develop and adopt Action Plans to attain these goals and outcomes.
- The City Council's adopted priorities for the fiscal year: Key City-wide initiatives developed by the Council and the Manager at their annual retreat; inter-departmental teams designated by the Manager are responsible for the successful implementation of these priorities.
- Five and One-Year Business Plans: Each year, for each of the City's service delivery programs, departments systematically formulate five and one-year plans to further the goals, objectives, and priorities of the Council as well as the adopted long term Financial, Facilities, Streets, Capital Improvement, and Housing Plans. Each plan includes performance indicators.

System Implementation

- A Comprehensive Annual Budget Process that links the program budget and the capital improvement plan with the Five-Year Action Plans, and implements program objectives included in the Five and One-Year Business Plans. All appropriations within departments are allocated to defined service delivery programs, each with a short description of purpose, five-year business plans, annual program objectives, and performance measures to facilitate program evaluation.

- Major quality assessment activities:
 - Departmental Performance Audits that focus on a department's compliance with the key elements of the City's Organizational Vision.
 - Public/Private Competition for Services. In addition to the system of performance measurement and benchmarking that assesses the efficiency and effectiveness of each City service on an annual basis and to assure that Reno citizens receive high quality services at the best possible price, it is the policy of the City to periodically test its services against the market. As a part of the competitive process, an assessment of the efficiency and effectiveness of the in-house service selected for competition is conducted prior to issuance of a Request for Proposals.
 - Targeted local, statewide, and national benchmarking, including customer satisfaction measures.
 - Pay-For-Performance. Annual management and employee performance reviews (review past performance and establish expectations for the year to come) based on achievement of goals and objectives outlined in approved Plans.