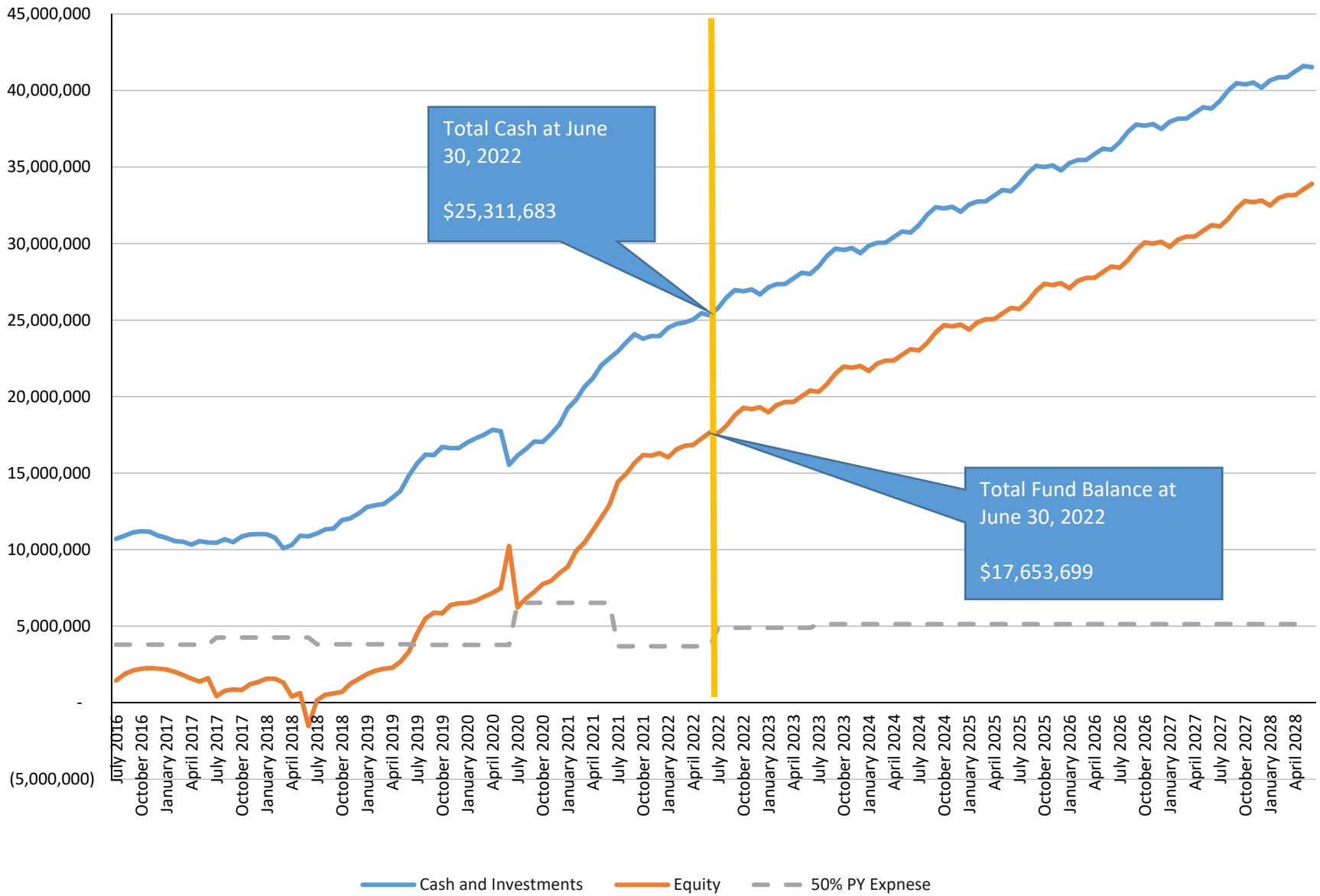


## BFEFAC Meeting 7/26

- The Building fund is an enterprise fund
  - Set up as a self-supporting fund that provides goods or services for a fee
  - NRS 354.613 dictates how money can be loaned or transferred to other funds:
    - If loaning money out of the Enterprise fund, the terms must follow the provisions of NRS chapter 350.
      - Must be approved by the governing body
      - Loan must be repaid in full within 5 years
    - Funds in the enterprise fund can be used to pay expenses related to the purpose for which the enterprise fund was created
    - Funds can be used for the cost allocation of employees, equipment or other resources used for the purpose of the enterprise fund if approved by the governing body
    - Funds are transferred if the fund is closed
- The fees charged are dictated by NRS 354.59891
  - Raising fees is limited by the permit basis on 6/30/1989, multiplied by a percentage equal to the percent increase in the CPI from 1/1/1988 through 12/31 of the current year.
  - The fees can be raised higher than this percentage by submitting an application to the department of taxation if the following conditions are met:
    - Emergency conditions exist with impair the ability to perform the basic functions
    - The permit basis is substantially below other local governments in the state and the expenses were higher than revenues
  - All fee increases must be approved by the governing body and submitted to the department of taxation
- NRS 354.59891 states that the enterprise fund fund balance shall not exceed 50% of annual operating costs and capital expenses
  - If the fund balance exceeds 50%, a plan is required to reduce the fees enough to ensure the balance is below the 50% threshold for the next 2 fiscal years.

## Building Enterprise Fund Cash, Equity and 50% Limit



**BY-LAWS OF THE CITY OF RENO**  
**BUILDING ENTERPRISE FUND ADVISORY COMMITTEE**

**ARTICLE I – NAME**

The name of the committee shall be the City of Reno Building Enterprise Fund Advisory Committee hereafter referred to as "the Committee".

**ARTICLE II - AUTHORITY**

The By-laws are authorized by Resolution No. 6140

**ARTICLE III – PURPOSE**

To provide advice and council to the City Council on the policies and management of the Building Permit Enterprise Fund. The Committee may also make recommendations to the City Council regarding Community Development Department services, including service levels, fees, the annual budget, capital expenditures and staffing needs as such recommendations relate to the Building Permit Enterprise Fund. At the request of City Council, the Committee may provide comments to the City Council regarding Community Development Department activities.

**ARTICLE IV - MEMBERSHIP**

Section 1: The Mayor and City Council shall appoint ~~nine (9)~~ seven (7) members to the Committee representing a cross-section of the City of Reno development community.

Section 2: Members of the Committee shall reside or have their primary business activities within the Reno City limits.

Section 3: All members shall serve for a period of four (4) years except when a member is appointed to fill an unexpired term of a member who has resigned. City Council may reappoint a member for additional terms and may at any time remove a member without cause.

Section 4: Resignations:

- a. Committee members desiring to resign shall submit in writing a resignation to the City Clerk's Office, copies to the City Council, the Chair, and Community Development Director. The resignation shall be effective upon receipt by the City Clerk's Office.
- b. Resignation of the Chairperson is followed by the Vice Chairperson becoming Chairperson and serving the unexpired term of the vacated

office. A new Vice Chairperson shall be elected at the regular Committee meeting.

c. Automatic Resignation:

- i. Three (3) consecutive meeting absences by a Committee member, whether excused or unexcused, shall result in the automatic resignation of that member. Such a resignation may be appealed to the Reno City Council. Said appeal shall be initiated by the member and filed with the Reno City Clerk.
- ii. Automatic resignation also applies if a member is not, or ceases to be a City resident or have their primary business activities within the Reno City limits.
- iii. A Committee member may be removed from office by a majority vote of the Committee or City Council for inefficiency, neglect of duty, or malfeasance of office.

Section 5: Members of the Committee shall serve without compensation.

Section 6: Committee members shall have one vote each on each agenda item to be cast during attendance at any meeting.

Section 7: Committee members shall comply with Code of Ethical Standards as set forth in NRS 281.481 et seq. and Chapter 2.20 of the Reno Municipal Code as applicable and amended.

## **ARTICLE V – OFFICERS**

Section 1: The Committee at its first regular meeting in February of every other year shall elect a Chair and Vice Chair from among the Committee members. In the event of a vacancy in the position of Chair or Vice Chair, the Committee members shall elect an officer from its members to fill such vacancy pending the biennial election of officers.

Section 2: The term of the Chair and Vice Chair is two (2) years.

Section 3: No Committee member may serve more than one consecutive two year term as Chair.

Section 4: The Chair shall preside at all Committee meetings, call special meetings in accordance with the By-laws, see that the Committee's actions are properly taken, and make or second motions.

Section 5: The Vice Chair shall assist the Chair in all of his/her duties and functions and shall serve as the Chair in the absence of the Chair. In the absence of both the

Chair and the Vice Chair, the Committee members shall elect a temporary Chair to carry out the duties of the Chair.

Section 6: Committee members who change their addresses shall notify the Chair, the City Clerk's Office, and the Community Development Director in writing.

Section 7: Secretarial services and staff assistance shall be provided by the City's Community Development Department staff. The Community Development Director or designee shall provide an accurate record of all proceedings including the taking of minutes.

Section 8: Committee members shall become familiar with and abide by City of Reno Management Policies and Procedures.

## **ARTICLE VI - MEETINGS**

Section 1: The Committee shall meet no less than once a quarter at a time, date, and place to be determined by the Committee for regular meetings.

Section 2: Additional meetings may be held at any time upon the call of the Chairperson, by a majority of the voting members, or upon the request of the City Council.

Section 3: Meetings shall be in compliance with the Nevada Open Meeting Law (NRS Chapter 241).

Section 4: A quorum shall be a minimum of ~~five (5)~~ four (4) members.

Section 5: Special meetings may be held at the call of the Chair, a majority of the Committee members, or by request of the City Council. A special meeting is held at a time different from a regular meeting and is convened to address important matters that may arise between regular meetings that require discussion or action. Special meetings must comply with the open meeting law.

Section 6: Notice of regular and special meetings will include the time, place, and agenda. The agenda will be posted in accordance with the applicable open meeting laws. In case of an emergency meeting, in accordance with the open meeting laws, notice will be as long as is reasonable under the circumstances, but no less than six hours prior to the meeting.

Section 7: Meeting shall be open to the public and in compliance with the state open meeting laws (NRS Chapter 241 as amended).

Section 8: The agenda will be prepared by the City of Reno and will include a Public Comment section. The Committee or its members may request topics be placed upon the agenda.

Section 9: Teleconferencing attendance at meetings by members of the Committee will be permitted without further approval when a Committee member is unable to attend the meeting and desires to participate via the use of teleconferencing and/or videoconferencing if the technology is available. If more than one Committee member requests use of the teleconferencing for a particular meeting, it will require the approval of the Chair to do so. When teleconferencing is used, facilities will be utilized which permit the public to hear and/or observe all telephonic and/or video conferencing.

Section 10: Each Committee member who will be unable to attend a meeting of the Committee shall notify the Community Development Director at the earliest opportunity but not later than 5:00 p.m. on the day prior to the date of the meeting. The Community Development Director shall notify the Chair if the projected absence(s) will produce a lack of quorum.

Section 11: Quorum: Action of the Committee will be taken in accordance with NRS 241.015(4), as applicable and amended.

Section 12: Voting will be public with the Chair voting last.

Section 13: The Committee will take action by motion.

Section 14: A tie vote will result in a denial of the motion. If a motion is denied, another motion may be made.

Section 15: Minutes of the meeting shall be kept in accordance with the open meeting law.

Section 16: Committee members, who were unable to attend a meeting at which an agenda item was heard but no action was taken, may become informed about the agenda item by reviewing all submissions and either the video- or audio tape. After a full review of the materials related to the agenda item, and if otherwise, eligible to vote, the Committee members may vote on the agenda item simultaneously with the other Committee members.

## ARTICLE VII - CONSIDERATION OF AGENDA ITEMS

Section 1: The Committee may re-arrange the order of consideration of items if necessary for the expeditious conduct of business.

Section 2: The presentation of agenda items, during the public hearings shall be generally as follows:

- a. Chair opens the action item;
- b. City of Reno staff presents item and makes recommendation;
- c. Committee members may question the staff or solicit and consider comments from the public on the specific agenda item;
- d. Chair closes the action item discussion;
- e. Chair or any voting Committee member may make or second a motion;
- f. Committee publicly discusses the item at the table and may elicit additional information through questions from those present; the Chair, even though the public hearing is closed, may recognize a person in the audience who wishes to speak; and
- g. Committee votes on the motion.

Section 3: Every Committee member desiring to speak shall address the Chair and, upon recognition by the presiding officer, shall confine himself or herself to the question under debate, avoiding all personalities and indecorous language.

Section 4: A Committee member, once recognized, shall not be interrupted when speaking unless it is to call the Committee member to order. If a Committee member, who is speaking, is called to order, the Committee member shall cease speaking until the question of order is determined, and if in order, shall be permitted to proceed.

Section 5: Any person wishing to address the Committee shall first secure permission of the presiding officer to do so.

Section 6: Interested parties, or their authorized representative(s), may address the Committee by written communication in regards to matters under discussion. A copy of any written communication shall also be provided to the Community Development Director.

Section 7: During the proper time on the agenda, members of the public may address the Committee on any matter concerning the Committee's business or any matter over which the Committee has control. Other communications, comments, or

suggestions from the public which are not related to an item included in the agenda elsewhere shall be heard by the Committee under Public Comment.

Section 8: Oral presentations given during the Public comment section of the agenda or any other agenda item shall not be repetitious and shall be confined to three minutes maximum duration, unless the Chair or quorum of the Committee grants additional time. No action shall be taken on issues raised under Public Comment of the agenda.

#### **SECTION VIII - USE OF STAFF**

Section 1: Committee members will make all requests for staff time to the Community Development Director, who is authorized to approve or deny such requests.

Section 2: Committee members may and should seek clarifying information from the Community Development Director. An informal system of direct communication with employees of the Community Development is discouraged, and should be used with discretion.

Section 3: Committee members shall address legal questions regarding matters before the Committee to the City Attorney's Office.

#### **ARTICLE IX - DECORUM**

Section 1: Roberts Rules of Order are hereby adopted for the governing of the Committee in all cases not otherwise provided in these bylaws.

Section 2: By Committee members: While the Committee is in session, the Committee members shall preserve order and decorum. A Committee member shall not unreasonably, by conversation, whispering, or otherwise, delay or interrupt the proceedings or the peace of the Committee nor disturb any Committee member while speaking nor refuse to obey the orders of the Committee or its presiding officer, except as otherwise herein provided.

Section 3: By staff members: Employees of the City of Reno shall observe the same rules of order and decorum as those which apply to Committee members.

Section 4: By the public: Each person who addresses the Committee shall do so in an orderly manner and shall not make personal, impertinent, slanderous, or profane remarks to any Committee member, staff, or public. Any person who makes such remarks, or who utters loud, threatening, personal or abusive language, or engages in any other disorderly conduct which disrupts, disturbs, or otherwise impedes the orderly conduct of any committee meeting shall, at the discretion of the presiding officer or a majority of the Committee, be barred from further audience before the Committee during that meeting.



No person in the audience at a Committee meeting shall engage in disorderly or boisterous conduct, including utterance of loud, threatening, or abusive language, whistling, stamping of feet or other acts which disturb, disrupt or otherwise impede the orderly conduct of any Committee meeting. Any person who conducts himself in the aforementioned manner shall, at the discretion of the presiding officer or majority of the Committee, be barred from further audience before the Committee during that meeting.

#### ARTICLE X - CONFLICTS OF INTEREST

Conflict of interest is governed by the Code of Ethical Standards in NRS 281.481 et seq., and Chapter 2.20 of the Reno Municipal Code, as applicable and amended.

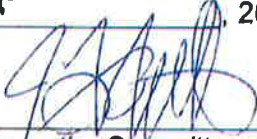
#### ARTICLE XI - PARLIAMENTARY AUTHORITY

Robert's Rules -of Order (Newly Revised) 10<sup>th</sup> edition, or its successor edition, shall be used when applicable and when not inconsistent with these By-laws.

#### ARTICLE XII - AMENDMENT OF BY-LAWS

These rules may be amended at any meeting by a vote of the majority of the entire membership of the Committee provided ten days written notice has been give to each Committee member. The amended bylaws shall become effective upon approval by the City Council.

APPROVED this 25<sup>th</sup> day of AUGUST, 2012.

  
\_\_\_\_\_  
John Krmpotic, Committee Chair

APPROVED this 25<sup>th</sup> day of August, 2012.

  
\_\_\_\_\_  
Robert A. Cashell, Mayor

ATTEST:

  
\_\_\_\_\_  
Lynnette R. Jones, City Clerk and Clerk of  
the City Council of the City of Reno, Nevada.



<b>FINANCIAL POLICIES</b>	
<b>Effective Date: December 1, 2013</b>	<b>#510</b>

**CITY OF RENO, NEVADA  
BUILDING ENTERPRISE FUND  
FUND POLICY**

The Building Enterprise Fund is a fund established per NRS 354.59891 for the support of operations directly or indirectly related to the building permit process including zoning and plan review, development engineering including traffic engineering, plan check, inspections and related services and support functions.

**POLICY:**

- A. Resources for the Building Enterprise Fund include user fees based upon the City of Reno adopted fee schedule.
- B. The Fund shall pay for the costs of issuing building permits. It shall not include or support operations of personnel not involved in the building permitting process and shall not be utilized for or replace General Fund operations unless they are directly or indirectly related.

**PURPOSE:**

- A. To establish the financial mechanisms for the Building Enterprise Fund.
- B. To provide a financial framework for identifying revenues and expenditures that relate to the building permit process.

**RESPONSIBILITIES:**

The Community Development Director:

- A. shall oversee the administration of the Building Enterprise Fund;
- B. shall establish and staff an Enterprise Advisory Committee to provide advice and counsel on the operation of the Enterprise Fund and establish the purpose and rules for the functioning of the Committee;
- C. shall review fees annually;
- D. shall ensure that all expenses are paid from the appropriate accounts; and

- E. shall prepare a proposed annual budget for the Building Enterprise Fund and submit the budget, through the Office of Management and Budget and the City Manager, or designee, to the City Council for consideration and adoption.

The Finance Director:

- A. shall ensure that all funds in the Building Enterprise Fund are being administered in accordance with generally accepted accounting principles and are being used in a manner consistent with the provisions of this policy and State law;
- B. shall perform necessary accounting functions as required; and
- C. shall, on a regular and consistent basis, review all bills for services submitted by the Building Enterprise Fund, make any adjustments that are provided for by law or accounting practice, and pay such bills in a timely manner.

The Director of the Office of Management and Budget:

- A. shall review the budget submitted by the Community Development Director for compliance with the City's budget guidelines.

**FINANCIAL SPECIFICITY:**

- A. Minimum retained earnings reserve of, and not exceeding, 50% of annual operating costs, including capital expenditures, shall be maintained, pursuant to NRS 354.59891.
- B. Should this fund experience deficiencies in the balance, reserves or retained earnings, they will be corrected by increasing fees or decreasing costs.
- C. Any retained earnings accumulated shall be considered reasonable and necessary to carry out the purpose of this fund and shall be subject to NRS 354.59891.
- D. This fund is governed by Nevada Revised Statutes (NRS) 278, 288, 332, 350, various sections of 354, 355, Nevada Administrative Codes 350 and 354, various sections of Reno Municipal Code [Chapter 2.10], and Title 14 of the Reno Municipal Code.



BRIAN SANDOVAL  
Governor  
ROBERT R. BARENGO  
Chair, Nevada Tax Commission  
DEONNE E. CONTINE  
Executive Director

STATE OF NEVADA  
DEPARTMENT OF TAXATION

Web Site: <http://tax.nv.gov>

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555 E. Washington Avenue  
Las Vegas, Nevada 89101  
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Reno, Nevada 89502  
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HENDERSON OFFICE  
2550 Paseo Verde Parkway, Suite 180  
Henderson, Nevada 89074  
Phone: (702) 486-2300  
Fax: (702) 486-3377

May 8, 2015

Jill Olsen  
Assistant Finance Director  
P.O. Box 1900  
Reno, NV 89505

Dear Jill:

You have requested the Department review the situation regarding the City's building enterprise fund for compliance with the requirements of NRS 354.59891. You advised this office that last year, the City's building enterprise fund exceeded 50% of the annual operating costs and capital expenditures of the program, and as a result, the City lowered the permit fees by 35%. However, this year, the volume of permits issued by the City will result in the unreserved working capital to once again exceed 50% of the annual operating costs. The City is planning on reducing the fees once again. Your specific question is what happens if that isn't enough to get below 50% of the annual operating costs.

NRS 354.59891(2) permits a local government to increase its building permit basis equal to the percentage increase in the CPI (Western Urban) from 1988 to the year prior to the increase, except as provided in subsections (3) and (4). A local government could increase its building permit basis by an amount greater than the percentage change of the CPI if it applies to the Nevada Tax Commission ("NTC") to do so. The NTC could allow an increase greater than the change in the CPI only if it finds that there are emergency conditions impairing the ability of the local government to perform basic functions or if the building permit basis is substantially below that of other local governments and the cost of issuing building permits exceeded the revenues. Neither of these conditions exist in the facts you provided, however, if the City did qualify under one of those conditions, the next step would be to apply to the NTC for an increase in the building fees.

There are several criteria the NTC would use to exempt the City from the CPI limitation on permit fee increases, including whether the local government maintains a balance of unreserved working capital in the enterprise fund that does not exceed 50% of the annual operating costs. In other words, the NTC could not exempt the City from the CPI limitation if the unreserved working capital in the enterprise fund was greater than 50% of the annual operating costs.

Let's say for a moment the City could not perform basic functions or the building permit fees of the City were substantially lower than other local governments. The City would then be

eligible to apply to the NTC for an increase in its fees that would be greater than the percentage change in the CPI. The NTC would consider that the City's unreserved working capital in the enterprise fund exceeded 50% of the annual operating costs, and would therefore deny the City an increase in the permit fees. The practical reason is that it would not be necessary to increase building permit fees if the high balance of the unreserved capital could be tapped to support operating costs.

Subsection 5 provides a way to adjust what is considered to be "unreserved" working capital for purposes of calculating subsection 4(d). If the unreserved working capital is greater than 50% for two years in a row, the local government has to reduce the fees in order to ensure the balance does not exceed the amount authorized in subsection 4(d) if it wishes to succeed in its application to the NTC. Both subsections 5 and 6 are intended to clarify the requirements in subsection 4. Subsection 4 is not applicable unless there is an application to the NTC for an increase in fees greater than the change in the CPI. An application to the NTC could not be made unless the City met the conditions in Subsection 3.

Since the City is not considering increasing building permit fees greater than the change in the CPI and does not intend to apply to the NTC for such an increase, it is not necessary for the NTC to consider the unreserved working balance of the enterprise fund. There is no penalty for failure to remain under the 50% balance except that the City would not qualify for an increase in the building permit fees greater than the CPI change, so long as the unreserved working capital continues to exceed 50% of the operating costs.

Sincerely,



Terry E. Rubald  
Deputy Executive Director

cc: Kelly Langley, Supervisor, Local Government Finance  
Gina Session, Chief Deputy Attorney General

**NRS 354.59891 Limitations on fees for building permits, barricade permits and encroachment permits; exceptions.**

1. As used in this section:

(a) "Barricade permit" means the official document issued by the building officer of a local government which authorizes the placement of barricade appurtenances or structures within a public right-of-way.

(b) "Building permit" means the official document or certificate issued by the building officer of a local government which authorizes the construction of a structure.

(c) "Building permit basis" means the combination of the rate and the valuation method used to calculate the total building permit fee.

(d) "Building permit fee" means the total fees that must be paid before the issuance of a building permit, including, without limitation, all permit fees and inspection fees. The term does not include, without limitation, fees relating to water, sewer or other utilities, residential construction tax, tax for the improvement of transportation imposed pursuant to NRS 278.710, any fee imposed pursuant to NRS 244.386 or 268.4413 or any amount expended to change the zoning of the property.

(e) "Current asset" means any cash maintained in an enterprise fund and any interest or other income earned on the money in the enterprise fund that, at the end of the current fiscal year, is anticipated by a local government to be consumed or converted into cash during the next ensuing fiscal year.

(f) "Current liability" means any debt incurred by a local government to provide the services associated with issuing building permits that, at the end of the current fiscal year, is determined by the local government to require payment within the next ensuing fiscal year.

(g) "Encroachment permit" means the official document issued by the building officer of a local government which authorizes construction activity within a public right-of-way.

(h) "Operating cost" means the amount paid by a local government for supplies, services, salaries, wages and employee benefits to provide the services associated with issuing building permits.

(i) "Working capital" means the excess of current assets over current liabilities, as determined by the local government at the end of the current fiscal year.

2. Except as otherwise provided in subsections 3 and 4, a local government shall not increase its building permit basis by more than an amount equal to the building permit basis on June 30, 1989, multiplied by a percentage equal to the percentage increase in the Western Urban Nonseasonally Adjusted Consumer Price Index, as published by the United States Department of Labor, from January 1, 1988, to the January 1 next preceding the fiscal year for which the calculation is made.

3. A local government may submit an application to increase its building permit basis by an amount greater than otherwise allowable pursuant to subsection 2 to the Nevada Tax Commission. The Nevada Tax Commission may allow the increase only if it finds that:

(a) Emergency conditions exist which impair the ability of the local government to perform the basic functions for which it was created; or

(b) The building permit basis of the local government is substantially below that of other local governments in the State and the cost of providing the services associated with the issuance of building permits in the previous fiscal year exceeded the total revenue received from building permit fees, excluding any amount of residential construction tax collected, for that fiscal year.

4. Upon application by a local government, the Nevada Tax Commission shall exempt the local government from the limitation on the increase of its building permit basis if:

(a) The local government creates an enterprise fund pursuant to NRS 354.612 exclusively for building permit fees, fees imposed for the issuance of barricade permits and fees imposed for encroachment permits;

(b) The purpose of the enterprise fund is to recover the costs of operating the activity for which the fund was created, including overhead;

(c) Any interest or other income earned on the money in the enterprise fund is credited to the enterprise fund;

(d) The local government maintains a balance of unreserved working capital in the enterprise fund that does not exceed 50 percent of the annual operating costs and capital expenditures for the program for the issuance of barricade permits, encroachment permits and building permits of the local government, as determined by the annual audit of the local government conducted pursuant to NRS 354.624; and

(e) The local government does not use any of the money in the enterprise fund for any purpose other than the actual direct and indirect costs of the program for the issuance of barricade permits, encroachment permits and building permits, including, without limitation, the cost of checking plans, issuing permits, inspecting buildings and administering the program. The Committee on Local Government Finance shall adopt regulations governing the permissible expenditures from an enterprise fund pursuant to this paragraph.

5. Any amount in an enterprise fund created pursuant to this section that is designated for special use, including, without limitation, prepaid fees and any other amount subject to a contractual agreement, must be identified as a restricted asset and must not be included as a current asset in the calculation of working capital.

6. If a balance in excess of the amount authorized pursuant to paragraph (d) of subsection 4 is maintained in an enterprise fund created pursuant to this section at the close of 2 consecutive fiscal years, the local government shall reduce the fees for barricade permits, encroachment permits and building permits it charges by an amount that is sufficient to ensure that the balance in the enterprise fund at the close of the fiscal year next following those 2 consecutive fiscal years does not exceed the amount authorized pursuant to paragraph (d) of subsection 4.

(Added to NRS by 1987, 808; A 1989, 2080; 1991, 35, 290, 1440; 2001, 385, 2321; 2003, 1960; 2005, 577; 2013, 780)

**NRS 354.59893 Advisory committee to review enterprise fund for issuance of building permits, barricade permits and encroachment permits: Establishment; appointment and terms of members; officers; duties and powers.**

1. Each local government that creates an enterprise fund pursuant to NRS 354.59891 shall establish an advisory committee to review the operations of, and make recommendations relating to, the enterprise fund.

2. The governing body of the local government or its designee shall appoint at least five members to the committee which:

(a) Must include:

- (1) A representative of the residential construction industry;
- (2) A representative of the commercial development industry; and
- (3) A representative of the construction industry; and

(b) May include:

- (1) A public officer or employee of the local government who manages the fiscal affairs of the local government;

and

(2) A public officer or employee of the local government who oversees directly the operation of the enterprise fund.

3. Each member of the committee must be appointed for a term of at least 2 years but not to exceed 4 years. The governing body or its designee may renew the term of any member of the committee.

4. The members of the committee shall select a chair from among their membership.

5. The committee may issue opinions and recommendations to the governing body of the local government concerning, without limitation:

(a) The adequacy of the fees that the local government charges for barricade permits, encroachment permits and building permits;

(b) The financial objectives and annual budget of the program for the issuance of barricade permits, encroachment permits and building permits; and

(c) Any other relevant issue related to the operation of the enterprise fund.

6. As used in this section:

(a) "Barricade permit" has the meaning ascribed to it in paragraph (a) of subsection 1 of NRS 354.59891.

(b) "Building permit" has the meaning ascribed to it in paragraph (b) of subsection 1 of NRS 354.59891.

(c) "Encroachment permit" has the meaning ascribed to it in paragraph (g) of subsection 1 of NRS 354.59891.

(Added to NRS by 2005, 575)

**NRS 354.599 Specified source of additional revenue required under certain circumstances when Legislature directs local governmental action requiring additional funding.** If the Legislature directs one or more local governments to:

1. Establish a program or provide a service; or

2. Increase a program or service already established which requires additional funding,

and the expense required to be paid by each local government to establish, provide or increase the program or service is \$5,000 or more, a specified source for the additional revenue to pay the expense must be authorized by a specific statute. The additional revenue may only be used to pay expenses directly related to the program or service. If a local government has money from any other source available to pay such expenses, that money must be applied to the expenses before any money from the revenue source specified by statute.

(Added to NRS by 1969, 800; A 1971, 236; 1975, 1686; 1979, 1241; 1981, 312; 1987, 1669; 1993, 1349; 1999, 1181; 2001, 1804)

**NRS 354.600 Contents of budget.** Each budget must include:

1. Detailed estimates of revenues, balances in other funds and other sources of financing for the budget year classified by funds and sources in a manner and on forms prescribed by the Department of Taxation.

2. Detailed estimates of expenditures and other uses of money for the budget year classified in a manner and on forms prescribed by the Department of Taxation.

3. A separate statement of the anticipated expenses relating to activities designed to influence the passage or defeat of any legislation, setting forth each separate category of expenditure that is required to be included in a supplemental report pursuant to subsection 1 of NRS 354.59803.

(Added to NRS by 1965, 732; A 1975, 1687; 1997, 2486; 2001, 1805, 2477; 2003, 178)

**NRS 354.601 Construction of capital improvement without funding for operation and maintenance included in approved budget prohibited.** A local government shall not begin the construction of a capital improvement unless the funding for the operation and maintenance of the improvement during the current fiscal year, including personnel, is included in an approved budget.

(Added to NRS by 1997, 2486)

**NRS 354.6015 Fiscal report of local government: Requirements; publication of summary; regulations.**

1. Except as otherwise provided in subsection 3, the governing board of a local government shall:

(a) Submit electronically a fiscal report of the local government to the Department of Taxation in accordance with the requirements prescribed by the Committee on Local Government Finance pursuant to subsection 2; and

(b) Publish a summary of the fiscal report, which must contain the information required by the Committee on Local Government Finance pursuant to subsection 2, in a newspaper of general circulation in the county in which the local government is situated.



2. The Committee on Local Government Finance shall prescribe, by regulation:
  - (a) The dates and times for filing a fiscal report, which must require a local government to file at least one fiscal report per year;
  - (b) The content of a fiscal report, which must include, without limitation, revenues, expenditures, fund balances, cash balances, components of assessed value, debt schedules and any other information that the Committee on Local Government Finance determines to be appropriate for determining the financial status of a local government;
  - (c) The content for a summary of a fiscal report that must be published pursuant to subsection 1; and
  - (d) A uniform method for creating and submitting a fiscal report electronically pursuant to this section. The method must facilitate the storage and reproduction of the fiscal report in electronic format by the Department of Taxation.
3. The Committee on Local Government Finance may establish, by regulation, an exception to the requirement that a fiscal report be submitted to the Department of Taxation in electronic format. The exception must be limited to local governments that the Committee determines do not have the financial ability to comply with the method for submitting a fiscal report to the Department of Taxation prescribed by the Committee. If the Committee on Local Government Finance provides an exception pursuant to this subsection, the Committee shall provide, by regulation, specific standards that it will use to determine whether a local government qualifies for an exemption pursuant to this subsection.
4. The Committee on Local Government Finance shall adopt regulations pursuant to this section in the manner prescribed for state agencies in chapter 233B of NRS.  
(Added to NRS by 2001, 1420)

**NRS 354.6025 Annual report of indebtedness of local government: Requirement; compilation into state report.**

1. Each local government shall submit to the Department of Taxation, annually, an itemized report showing all its outstanding indebtedness. The Department of Taxation shall prescribe the form and time of filing for all such reports.
2. Upon receipt of the annual local government reports of indebtedness, the Department of Taxation shall compile the information into a state report of local government indebtedness. Copies of such report shall be submitted to the Governor and the Fiscal Analysis Division of the Legislative Counsel Bureau.
3. As used in this section, "indebtedness" does not include any liability which is incurred by a local government for the purchase of goods and services on open accounts.  
(Added to NRS by 1977, 508; A 1977, 350; 2009, 1028)

**NRS 354.603 Separate accounts in bank, credit union or savings and loan association for school district, county hospital, consolidated library district and district library.**

1. The board of trustees of any county school district, the board of hospital trustees of any county hospital or the board of trustees of any consolidated library district or district library may establish and administer separate accounts in:
  - (a) A bank whose deposits are insured by the Federal Deposit Insurance Corporation;
  - (b) A credit union whose deposits are insured by the National Credit Union Share Insurance Fund or by a private insurer approved pursuant to NRS 678.755; or
  - (c) A savings and loan association whose deposits if made by the State, a local government or an agency of either, are insured by the Federal Deposit Insurance Corporation, or the legal successor of the Federal Deposit Insurance Corporation,
 ↪ for money deposited by the county treasurer which is by law to be administered and expended by those boards.
2. The county treasurer shall transfer the money to a separate account pursuant to subsection 1 when the following conditions are met:
  - (a) The board of trustees of the county school district, the board of hospital trustees of the county hospital or the board of trustees of the consolidated library district or district library adopts a resolution declaring an intention to establish and administer a separate account in accordance with the provisions of this section.
  - (b) The board of trustees of the county school district, the board of hospital trustees of the county hospital or the board of trustees of the consolidated library district or district library sends a certificate to the county treasurer, the county auditor, the board of county commissioners and, in the case of the board of trustees of the county school district, to the Department of Education, attested by the secretary of the board, declaring the intention of the board to establish and administer a separate account in accordance with the provisions of this section.
  - (c) The board of hospital trustees of the county hospital or the board of trustees of the consolidated library district or district library submits monthly reports, listing all transactions involving the separate account, to the county treasurer, the county auditor and the board of county commissioners. The reports must be certified by the secretary of the board. In addition, the board shall give a full account and record of all money in such an account upon request of the board of county commissioners.
3. The separate account of the board of trustees of the county school district established under the provisions of this section must be composed of:
  - (a) The county school district fund; and
  - (b) The county school district building and sites fund.
4. The separate account established by the board of county hospital trustees is designated the county hospital fund.
5. The separate account of the board of trustees of the consolidated library district or district library established under the provisions of this section must be composed of:
  - (a) The fund for the consolidated library or district library, as appropriate; and
  - (b) The capital projects fund of the consolidated library or district library, as appropriate.
6. No expenditures from an account may be made in excess of the balance of the account.



7. Such an account must support all expenditures properly related to the purpose of the fund, excluding direct payments of principal and interest on general obligation bonds, and including, but not limited to, debt service, capital projects, capital outlay and operating expenses.

8. The board of county commissioners, if it determines that there is clear evidence of misuse or mismanagement of money in any separate account, may order the closing of the account and the return of the money to the county treasury to be administered in accordance with existing provisions of law. The board of trustees of the county school district, the board of hospital trustees of the county hospital or the board of trustees of the consolidated library district or district library is entitled to a hearing before the board of county commissioners.

(Added to NRS by [1971, 1338](#); A [1975, 12](#), [1800](#); [1979, 537](#), [1884](#), [1886](#); [1981, 685](#), [1764](#); [1989, 615](#); [1993, 215](#), [2783](#), [2818](#); [1995, 2204](#); [1999, 1474](#); [2001, 1805](#))

**NRS 354.604 Funds maintained by local governments.** Each local government shall maintain, according to its own needs:

1. The following kinds of governmental funds:
  - (a) General fund;
  - (b) Special revenue fund;
  - (c) Capital projects fund;
  - (d) Debt service fund; and
  - (e) Permanent fund.
2. The following kinds of proprietary funds:
  - (a) Enterprise fund; and
  - (b) Internal service fund.
3. The following kinds of fiduciary funds:
  - (a) Pension and other employee benefits funds;
  - (b) Investment trust funds;
  - (c) Private-purpose trust funds; and
  - (d) Agency funds.

(Added to NRS by [1965, 732](#); A [1971, 200](#), [1014](#), [1342](#); [1981, 1765](#); [1983, 1636](#); [1989, 403](#); [2001, 1806](#))

**NRS 354.608 Contingency account: Establishment; limit on appropriations; expenditures.** A contingency account may be established in any governmental fund. The maximum amount which may be appropriated for such a contingency account is 3 percent of the money otherwise appropriated to the fund, exclusive of any amounts to be transferred to other funds. No expenditure may be made directly from such a contingency account, except as a transfer to the appropriate account, and then only in accordance with the procedure established in [NRS 354.598005](#).

(Added to NRS by [1965, 733](#); A [1981, 1766](#); [2001, 1807](#))

**NRS 354.609 Petty cash, imprest or revolving account.**

1. The governing body of any local government may, by resolution, establish one or more petty cash accounts, imprest accounts or revolving accounts in a bank or credit union to assist in the administration of any activities in which the local government is authorized by law to engage.

2. A resolution establishing any petty cash account, imprest account or revolving account in a bank or credit union shall, in detail, set forth the following:

- (a) The object and purpose of the account.
- (b) The source of money to be used to establish and maintain the account.
- (c) The method of controlling expenditures from the account.
- (d) The maximum dollar amount of any single expenditure.

3. Payments made out of any such accounts in accordance with the establishing resolution may be made directly without approval of the governing body of any local government.

4. Reimbursement of any such petty cash, imprest or revolving accounts must be made no less often than monthly. The reimbursement must be supported by proper evidences of expenditures made from the account and must be approved by the governing body in the same manner as other claims against the fund to which the reimbursement is to be charged.

(Added to NRS by [1973, 1080](#); A [1975, 369](#); [1999, 1475](#))

**NRS 354.6105 Fund for extraordinary maintenance, repair or improvement of capital projects.**

1. A local government may establish a fund for the extraordinary maintenance, repair or improvement of capital projects.

2. Any interest and income earned on the money in the fund in excess of any amount which is reserved for rebate payments to the Federal Government pursuant to 26 U.S.C. § 148, as amended, or is otherwise required to be applied in a specific manner by the Internal Revenue Code of 1986, as amended, must be credited to the fund.

3. Except as otherwise provided in [NRS 374A.020](#), the money in the fund may be used only for the extraordinary maintenance, repair or improvement of capital projects or facilities that replace capital projects of the entity that made the deposits in the fund. The money in the fund at the end of the fiscal year may not revert to any other fund or be a surplus for any purpose other than the purpose specified in this subsection.

4. As used in this section, "extraordinary maintenance, repair or improvement" means all expenses ordinarily incurred not more than once every 5 years to maintain a local governmental facility or capital project in a fit operating condition.

(Added to NRS by [1995, 2552](#); A [1997, 56](#); [2001, 1807](#), [2323](#); [2003, 162](#))

**NRS 354.6113 Fund for construction of capital projects.**

1. The governing body of a local government may, by resolution, establish a fund for the construction of capital projects.

2. Any interest or income earned on money in the fund in excess of any amount which is reserved for rebate payments to the Federal Government pursuant to 26 U.S.C. § 148, as amended, or is otherwise required to be applied in a specific manner by the Internal Revenue Code of 1986, as amended, must be credited to the fund.

3. The money in the fund must be used only for the construction of capital projects which are included in the plan for capital improvement of the local government prepared pursuant to NRS 350.013. The money in the fund at the end of the fiscal year may not revert to any other fund or be a surplus for any purpose other than the purpose specified in this subsection.

4. The annual budget and audit report of the local government prepared pursuant to NRS 354.624 must specifically identify the fund and:

- (a) Indicate in detail the capital projects that have been constructed with money from the fund;
- (b) Specify the amount of money, if any, that will be deposited in the fund for the next fiscal year;
- (c) Specify any proposed capital projects that will be constructed with money from the fund during the next fiscal year; and

(d) Identify any planned accumulation of the money in the fund.

→ The audit report must include a statement by the auditor whether the local government has complied with the provisions of this subsection.

(Added to NRS by 1995, 2551)

**NRS 354.6115 Fund to stabilize operation of local government and mitigate effects of natural disaster.**

1. The governing body of a local government may, by resolution, establish a fund to stabilize the operation of the local government and mitigate the effects of natural disasters.

2. The money in the fund must be used only:

(a) If the total actual revenue of the local government falls short of the total anticipated revenue in the general fund for the fiscal year in which the local government uses that money; or

(b) To pay expenses incurred by the local government to mitigate the effects of a natural disaster.

→ The money in the fund at the end of the fiscal year may not revert to any other fund or be a surplus for any purpose other than a purpose specified in this subsection.

3. The money in the fund may not be used to pay expenses incurred to mitigate the effects of a natural disaster until the governing body of the local government issues a formal declaration that a natural disaster exists. The governing body shall not make such a declaration unless a natural disaster is occurring or has occurred. Upon the issuance of such a declaration, the money in the fund may be used for the payment of the following expenses incurred by the local government as a result of the natural disaster:

(a) The repair or replacement of roads, streets, bridges, water control facilities, public buildings, public utilities, recreational facilities and parks owned by the local government and damaged by the natural disaster;

(b) Any emergency measures undertaken to save lives, protect public health and safety or protect property within the jurisdiction of the local government;

(c) The removal of debris from publicly or privately owned land and waterways within the jurisdiction of the local government that was undertaken because of the natural disaster;

(d) Expenses incurred by the local government for any overtime worked by an employee of the local government because of the natural disaster or any other extraordinary expenses incurred by the local government because of the natural disaster; and

(e) The payment of any grant match the local government must provide to obtain a grant from a federal agency for an eligible project to repair damage caused by the natural disaster within the jurisdiction of the local government.

4. The balance in the fund must not exceed 10 percent of the expenditures from the general fund for the previous fiscal year, excluding any federal funds expended by the local government.

5. The annual budget and audit report of the local government prepared pursuant to NRS 354.624 must specifically identify the fund.

6. The audit report prepared for the fund must include a statement by the auditor whether the local government has complied with the provisions of this section.

7. Any transfer of money from a fund established pursuant to this section must be completed within 90 days after the end of the fiscal year in which the natural disaster for which the fund was established occurs.

8. As used in this section:

(a) "Grant match" has the meaning ascribed to it in NRS 353.2725.

(b) "Natural disaster" means a fire, flood, earthquake, drought or any other occurrence that:

(1) Results in widespread or severe damage to property or injury to or the death of persons within the jurisdiction of the local government; and

(2) As determined by the governing body of the local government, requires immediate action to protect the health, safety and welfare of persons residing within the jurisdiction of the local government.

(Added to NRS by 1995, 2553; A 1999, 1660; 2001, 1808; 2013, 3443)

**RESOLUTION NO. 6140**

**INTRODUCED BY COUNCILMEMBER Sferrazza**

A RESOLUTION CREATING AN ADVISORY COMMITTEE FOR THE BUILDING PERMIT ENTERPRISE FUND TO PROVIDE ADVICE AND COUNSEL ON THE POLICIES AND MANAGEMENT OF THE BUILDING PERMIT ENTERPRISE FUND.

WHEREAS, the City has created a Building Permit Enterprise Fund for the building permit process to provide user fees in the fiscal support of operations directly related to the building permit process; and

WHEREAS, the City desires to create an advisory committee to provide advice and counsel on the policies and management of the Building Permit Enterprise Fund.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Reno, Nevada:

1. That the City shall appoint seven (7) members from the Reno community building industry representing a cross-section of the industry including residential, commercial and industrial.
2. The agenda will be prepared by the Chair of the Committee with approval of the committee and sent to the Committee members the prior to committee meetings.
3. The Committee will meet at least once a quarter at a time and date set by the committee members. More frequent meeting may be called by the Chair as needed.
4. A quorum shall be a minimum of four (4) members.
5. The meeting shall comply with the open meeting law and the Committee shall at its first meeting elect a Chair and Vice Chair. The Committee will also adopt bylaws.
6. Three of the members shall serve for a period of two (2) years and four of the members shall serve for a period of four (4) years. City Council may reappoint a member for an additional term and may at any time remove a member without cause.

7. If a vacancy occurs, the City Council may make an appointment to fill the vacancy. The Committee shall nominate persons for consideration by the City Council to appoint the new member.

8. The Community Development Department shall provide staff for the Committee and shall be responsible for preparing agendas, minutes and communications for the Committee.

On motion of Councilmember Sferrazza, seconded by Councilmember Aiazzi, the foregoing Resolution was passed and adopted this 18<sup>th</sup> day of February, 2003, by the following vote of the Council:

AYES: Sferrazza, Aiazzi, Harsh, Zadra, Dortch, Cashell

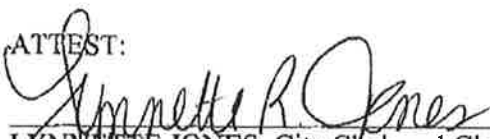
NAYS: None

ABSENT: Hascheff ABSTAIN: None

APPROVED this 18<sup>th</sup> day of February, 2003.

  
Robert A. Cashell, Sr., Mayor

ATTEST:

  
LYNNETTE JONES, City Clerk and Clerk  
of the City Council of the City of Reno, Nevada





# FINANCE DEPARTMENT

## MEMORANDUM

**DATE:** May 17, 2018  
**TO:** Mayor and Council Members  
**THRU:** Sabra Newby, City Manager *SN*  
**FROM:** Deborah Lauchner, Finance Director  
**SUBJECT:** Follow-up to May 11, 2018 Budget Workshop

On May 11, 2018, the Council held a workshop to discuss the City's upcoming fiscal year (FY) 2018-19 budget. At that meeting, there were a series of questions and requests for information that staff were not prepared to answer at the meeting. This memo attempts to address those questions and provide additional information.

The following items provide the Council with the additional information:

I. **Building Fund**

- a. Please provide an analysis back to 2008 levels to include how many permits were issued, staffing levels, how the fund balance was reduced during the recession and how the RIF impacted this fund.

**RESPONSE:** Attached (Question 1 – Permit History) is a chart showing the number of permits issued each year. The following chart outlines staffing and cash fund balance for the Building Enterprise Fund. This information came from past budget books:

Fiscal Year	FTE	Ending Cash Balance	Ending Net Assets (Retained Earnings)
<b>06/07</b>	<b>66.3</b>	<b>\$ 1,746,531</b>	<b>\$ 2,050,459</b>
07/08	67.3	15,906	(756,287)
<b>08/09</b>	<b>66.3</b>	<b>45,819</b>	<b>(1,478,328)</b>
09/10	29.5	12,240	(1,277,189)
<b>10/11</b>	<b>22.98</b>	<b>320,007</b>	<b>(507,635)</b>
11/12	23.11	1,023,814	204,688
<b>12/13</b>	<b>22.12</b>	<b>4,156,037</b>	<b>2,977,370</b>
13/14	21.78	7,691,543	6,144,021
<b>14/15</b>	<b>27.17</b>	<b>10,254,957</b>	<b>4,638,476</b>
15/16	44.53	10,388,867	4,393,793
<b>16/17</b>	<b>51.13</b>	<b>10,496,988</b>	<b>3,864,029</b>
17/18	34.98	9,887,801	TBD
<b>18/19</b>	<b>34.45</b>	<b>10,898,608</b>	<b>TBD</b>