

October 1, 2018

To the Honorable Mayor Kindig and City Council:

On behalf of the Leadership Team, I am pleased to present the City's FY19 & FY20 Biennial Budget, which was developed with a primary focus of accomplishing the goals established in the City's Strategic Plan. The adopted budget reflects the continuing commitment to deliver quality municipal services and invest in the infrastructure essential to improving the City's economy, while ensuring fiscal responsibility and long-term financial stability. The budget also addresses the need for additional staff to relieve some of the pressures associated with providing municipal services in our dynamic, ever-changing community.

On January 16, 2018 the City Council adopted Strategic Plan 2018 - 2020 which was the result of a collaborative effort between the Mayor, City Council and City leadership. The plan identifies the following strategic priorities:



**Quality of Life
& Community
Identity**



**Economic
Vitality**



**Infrastructure
Investment**



**Safe Community
& Thriving
Neighborhoods**



**Governance
& Fiscal
Responsibility**

The strategic priorities form the basis for the budget and provide the framework to ensure that the City's resources are optimized in a manner to best serve its citizens.

The budget reflects a strong local economy that has led to generally stable revenues which support a wide array of programs and initiatives. La Vista continues to be financially strong. Over the years, the City has positioned itself well to cope with growth, create a positive atmosphere for economic development and have the ability to seize opportunities that will have long lasting impacts on the community.

The City has leveraged a significant investment in public infrastructure and planning associated with redevelopment of the 84th Street corridor. Continued implementation of innovative planning and development concepts, along with ongoing citizen engagement, will ensure that streetscape improvements, City Centre and Civic Center Park establish the foundation for a walkable, mixed-use destination sure to revitalize and sustain the City's core and enhance the quality of life for our citizens.

The FY19 & FY20 Biennial Budget contains balanced operating budgets in each year, with operating revenues expected to exceed operating and capital expenditures. Total revenues for all funds is \$65.4 million and \$42.4 million, respectively. This represents a FY19 decrease of 7.2% over the FY18 year-end-estimate of \$70.4 million and a 39.8% decrease in FY20. The expenditure budget for all funds in FY19 & FY20 totals \$60.6 million and \$48.6 million respectively. For FY19, this is a 5.7% decrease over the FY18 year-end-estimate of \$64.3 million and a 24.4% decrease for FY20. Expenditures are driven primarily by personnel costs and anticipated public infrastructure projects.



BUDGET HIGHLIGHTS

- The City's taxable assessed valuation is \$1,542,141,658, an increase of 3.03% which results in tax revenue of \$7,556,495 for the General Fund and \$925,285 for Debt Service.
- Property taxes are a primary funding source for both the General Fund and Debt Service Fund and account for approximately 14% of the City's total revenues.
- The revenue generated by one cent of property tax levy in FY19 is \$154,214. *(A table with detailed budgeted and projected property tax revenue collection information can be found in the Appendix.)*
- The City's tax rate of .55/\$100 assessed valuation represents 24% of a La Vista property owner's current tax bill.
- Personnel costs represent the majority of the City's operating budget. The organization's payroll covers: 120 full-time employees, 28 part-time employees and 24 seasonal positions. Seven new full-time positions were added in FY19 and one full-time position in FY20.
- Pay adjustments for the first and second years of a five-year contract with the La Vista Fraternal Order of Police of 3.75% & 3.25%, respectively.
- Performance based compensation for all employees not covered by a collective bargaining agreement is based on actual increases in FY19 which total \$203,679, an average of 3.62%. The FY20 budget is based on an estimated 3.75% increase, but will be amended during the mid-biennium to reflect the actual increases associated with performance evaluations.
- Consistent with the Strategic Plan, the FY19 & FY20 Biennial Budget includes funding for several plan objectives, which are identified in various budgets. The following are some of the more significant city-wide initiatives.
 - Mini Park Plan Improvements**
 - Marketing & Branding Strategy**
 - 60th Anniversary Celebration**
 - National Citizen Survey**
 - City Hall Facility Improvements**
 - Year-End Report to Citizens**
 - Community Event Guide**
- Capital improvement projects were traditionally budgeted in the Capital Improvement Fund. All revenue or bond proceeds were deposited in the Debt Service Fund and then transferred to the Capital Improvement Fund when the project incurred expenses. A change in accounting procedures has reduced interfund transfers and more clearly identifies the fund balance. Now revenue and expenditures associated with a project are being recorded in the fund they are related to. Projects not associated with a particular fund will be identified in the Capital Improvement Fund budget.
- Maintaining and improving public infrastructure and investing in capital projects that align with the priorities in the Strategic Plan remain a budgetary focus. The FY19 & FY20 Biennial Budget includes funding of nearly \$43 million in investments in the City's streets, roads, parks and facilities, approximately \$22 million of that total can be attributed to projects related to redevelopment of the 84th Street corridor.
- The City's current bonded indebtedness is \$42.1 million, with annual payments of approximately \$5 million. It is anticipated that additional debt of approximately \$55.4 million for public improvement projects associated with the redevelopment of 84th Street is expected to be issued in FY19 & FY20, which would bring the City's total bonded indebtedness to \$97.5 million. Annual debt service payments are estimated to be approximately \$8.5 million.

CONCLUSION

The FY19 & FY20 Biennial Budget is one of action and investment. The budget represents the City's continued efforts to deliver on its mission to provide exceptional municipal services with the highest level of integrity, professionalism and excellence. The combination of the City's strong financial position along with our experienced staff allows us to plan and execute an ambitious number of projects. In addition, time and resources are also dedicated to measuring progress based on achieving goals and objectives.

La Vista has much to be proud of and many exciting things ahead. We will however, continue to face challenges resulting from rapid growth, high demand for resources, infrastructure and pressure for additional staff. Fortunately, the commitment of the Mayor and City Council to ensure that the City is poised for growth by making key investments in community infrastructure and maintaining a qualified, motivated and responsive work force will keep the City in a strong position to take advantage of opportunities.

We must remain focused on long-range financial planning to streamline the City's operations and maximize resources. We must continue to think more broadly and creatively about how to maintain high levels of service. Continuous process improvement strategies, reinventing service delivery and tough, prioritized decision-making will be essential to ensure that our services can continue to meet the responsiveness and high-quality expectations of our citizens.

Budget preparation is a demanding and time-consuming effort for all staff members. This is especially true considering the continued workloads of staff with other areas of responsibility. The Biennial Budget is the result of months of work by the Executive Budget Team in conjunction with staff from all departments.

I would like to thank all City staff who participated in developing the budget. I also wish to thank the Executive Budget Team members: Finance Director Cindy Miserez, Administrative Services Director Kevin Pokorny, City Clerk Pam Bueth, Assistant City Administrator Rita Ramirez, Assistant to the City Administrator Tommy Prouhet, Police Chief Bob Lausten, Public Works Director Joe Soucie and Deputy Public Works Director Jeff Calentine for their leadership and efforts to plan, develop and improve upon the City's budget document and process.

Respectfully Submitted,



Brenda S. Gunn

City Administrator

