

# Budget Overview — FY15

*Recommended budget to be reviewed during City Council budget work sessions on July 21 & 22, 2014.*

# The City of La Vista

is dedicated to providing  
exceptional municipal services  
with the highest level of integrity,  
professionalism and excellence

## A

### **ACCOUNTABILITY**

We will be responsible for our decisions and actions as stewards of the financial, informational, physical, environmental, and human resources entrusted to us.

## I

### **INTEGRITY**

We will maintain high ethical standards in our personal and professional conduct.

## P

### **PUBLIC SERVICE**

We are committed to providing high quality public service to the citizens through communication, teamwork, professionalism, dedication to duty, courtesy and respect

## Introduction

Despite the challenging economic environment over the past few years, the City of La Vista continues to maintain and improve City programs and services. While recent economic data indicates that economic conditions are slowly improving, the recommended budget recognizes the uncertain economic environment and provides a disciplined service delivery plan aligned with existing financial realities.

Similar to prior years, the budget is planned to meet the existing and emerging needs of the City. There are no significant new programs being proposed or substantial changes in the City's financial approach. The proposed budget communicates staff ideas on how best to allocate the City's resources in order to most effectively serve the residents and businesses of La Vista.

Balancing the need to deliver core services to a growing community with the need to facilitate new opportunities remains a challenge because of limited funding resources. Funding requests for new programs, positions, projects and equipment will continue to be scrutinized to ensure that resources are maximized. The City will also continue to develop a culture of continuous improvement and innovation in order to provide as much taxpayer value as possible.

The recommended budget represents the combination of Council direction and staff recommendations on how best to move forward the City Council's Strategic Plan consisting of the following priorities.

1. Pursue revitalization of the 84<sup>th</sup> Street corridor & other economic development opportunities
2. Provide for planned, fiscally responsible expansion of the City's boundaries
3. Maintain quality of older residential neighborhoods
4. Enhance La Vista's identity and raise awareness of the City's many qualities
5. Improve and expand the City's quality of life amenities for residents and visitors
6. Pursue action that enables the City to be more proactive on legislative issues & other areas of common interest
7. Adopt and implement standards of excellence for the administration of City services
8. Insure efficient, effective investment in technology to enhance service delivery

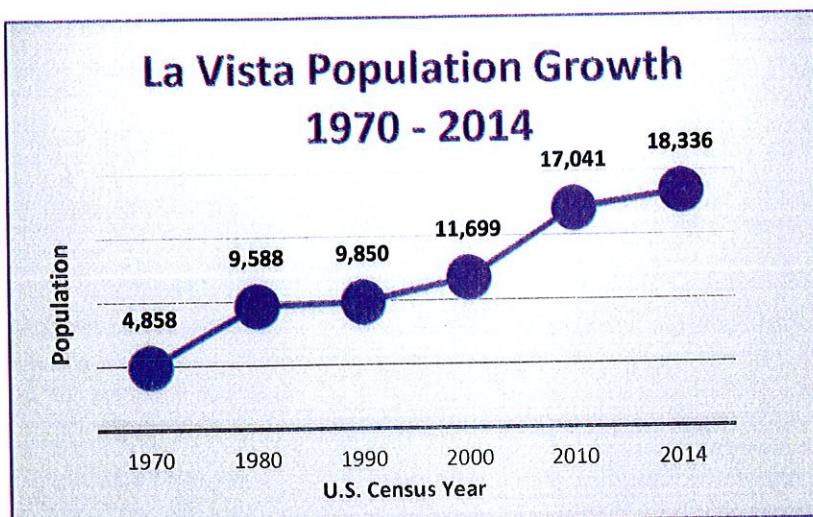
In addition to conforming to City Council priorities, the proposed budget maintains a stable property tax levy, continues to focus on providing quality services and maintains an acceptable reserve level in the foreseeable future. Current service levels are generally maintained in spite of significant cost drivers such as increased utilities, fuel and personnel costs and lower property valuations.

The proposed FY15 municipal budget represents the City's operating plan for the fiscal year beginning on October 1, 2014 and ending on September 30, 2015.

## About La Vista

As seen on the table and graph below, since 2000 the City of La Vista has experienced nearly a 54% growth in population, providing municipal services to approximately 18,336 residents as a result of annexations and new development. During this same period the City platted over 900 residential acres, 280 acres of commercial and 800 acres of industrial ground. As a rapidly growing City in the highest growth area of the State, La Vista continues to face the challenges of such rapid growth and the desire to provide high quality and efficient public services.

La Vista Population Growth 1970 - 2014		
Year	Population	Growth Rate
1970	4,858	
1980	9,588	97%
1990	9,850	3%
2000	11,699	19%
2010	17,041	46%
2014	18,336	8%



## Long-Range Financial Forecast

The purpose of preparing a long-range financial forecast is to identify financial trends, shortfalls and issues so the City can be in a position to proactively address them. By providing a forward-looking view of the budget, the governing body and staff are able to evaluate the long-term sustainability of each fund. It also provides a starting point for future decision-making regarding the balance between potential spending needs and the projected revenue outlook.

The long-range financial forecast is not intended as a budget or as a proposed plan, as the City Council is only asked to approve the FY15 budget. Rather, it sets the stage for the budget process and assists in establishing priorities, allocating resources appropriately and facilitating long-term solutions over short-run fixes.

As noted in prior years, this continues to be challenging as there are so many uncertainties, including current economic conditions, unknown State economic development incentives, fuel prices, declining property values, ongoing property vacancies, the rate at which growth will continue and the impact of new development.

## Key Assumptions

The projections made as a part of the Long-Range Financial Forecast reflect numerous assumptions related to revenues and expenditures in FY15 and beyond. These assumptions are a reasonable starting point for estimating the long-term status of the various funds. It is however important to understand that the assumptions and resulting projections will change over time and what might seem to be relatively minor changes in key variables can result in a significant change in the long-term outlook. Regardless, the long range projections serve an essential purpose in identifying potential issues and trends to allow time for thoughtful and strategic responses. All projections included in this document are preliminary based on data available in May 2014.

The General Fund, Debt Service Fund, Lottery Fund and Sewer Fund are a primary focus in preparing the annual budget. Combined they represent more than 76.4% of the projected FY15 expenditures.

Key points of consideration since the previous budget cycle include:

- Property valuation increased slightly by 2%
- Positive financial results for FY13 (*GF revenues exceeded expenditures by 26.4%*) and FY14 year-end estimates project expenditures to be less than revenues.
- Sales & Use Tax collections remain strong, however it is anticipated that the City will continue to face challenges related to the unknown State economic development incentive rebates.
- Full year of fire service contract.
- Changes necessitated by the implementation of the reorganization plan.
- The impact of the City of Omaha's sewer separation project mandate.

As a result of the current financial outlook the recommended FY15 budget:

- Maintains a constant property tax levy (*which has been held at .55 for the past three years*).
- Maintains appropriate reserve levels in the General Fund and Sewer Fund.
- Continues to focus on providing quality city services.
- Implements new  $\frac{1}{2}$  cent Sales & Use Tax to facilitate the redevelopment of 84<sup>th</sup> Street
- Does not add any new full time positions.
- Establishes an Administrative Services Department in General Fund.
- Creates an Information Technology Department in General Fund.
- Changes Administration/Sewer split from 70/30 to 75/25.
- Increases sewer fees 10%
- Utilizes bond proceeds for several facility improvement projects.

## Revenue Outlook

In developing the revenue forecast, special attention was given to assessed valuation (*property tax*), sales tax, hotel occupation tax and gross revenue tax (*occupation taxes & franchise fees*). Other revenues include licenses & permits, charges for services and other miscellaneous income from various funding sources and have been projected based on history and anticipated growth from development. The calculations in this forecast and analysis of results obtained are based on the following assumptions:

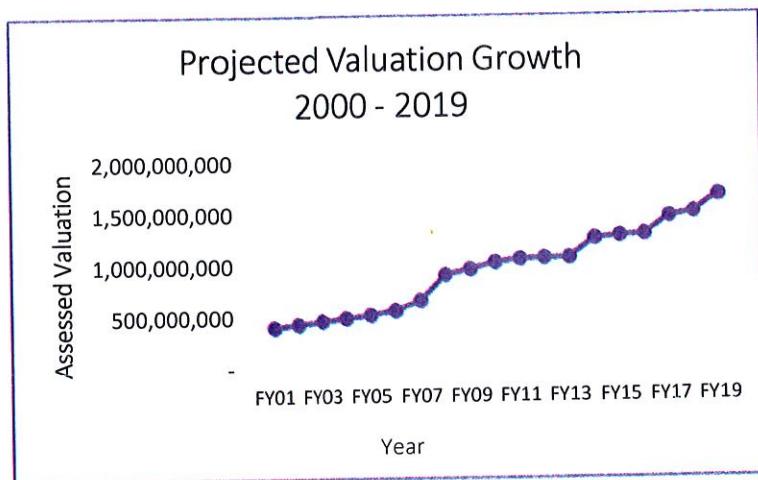
### **ASSESSED VALUATION**

The dramatic change in our economy over the past few years continues to impact La Vista's revenues through declining property values. While the City's assessed valuation has averaged about 8.66% annual growth over the past 10 years, the growth in valuation for FY15 is currently projected at approximately 2% to \$1,268,827,642 based on preliminary estimates provided by the County Assessor's office.

The sluggish growth of the City's tax base can most likely be attributed to locally vacant commercial properties, especially in the 84<sup>th</sup> Street corridor and home values that are only beginning to regain momentum as a result of the decline associated with the recent economic crisis.

The following table and chart show both the City's growth in valuation since 2000 and projected growth to 2019. For long range planning purposes, valuations are expected to remain fairly static and only projected to increase for planned annexations and build out of the Southport West and other areas already within the city limits.

Valuation Growth Trend & Projections		
Fiscal Year	Percent Increase	Assessed Valuation
FY01	18.03%	396,504,904
FY02	6.85%	423,659,368
FY03	7.45%	455,212,777
FY04	6.09%	482,934,886
FY05	5.99%	511,881,414
FY06	8.25%	554,102,089
FY07	17.61%	651,690,883
FY08	37.77%	897,837,113
FY09	5.88%	950,626,037
FY10	7.19%	1,018,941,739
FY11	3.04%	1,049,942,564
FY12	0.89%	1,059,337,658
FY13	0.10%	1,060,374,615
FY14	17.31%	1,243,966,760
<b>FY15</b>	<b>2.00%</b>	<b>1,268,827,646</b>
FY16	1.00%	1,281,515,922
FY17	13.47%	1,454,103,504
FY18	2.50%	1,490,456,091
FY19	11.00%	1,654,443,548

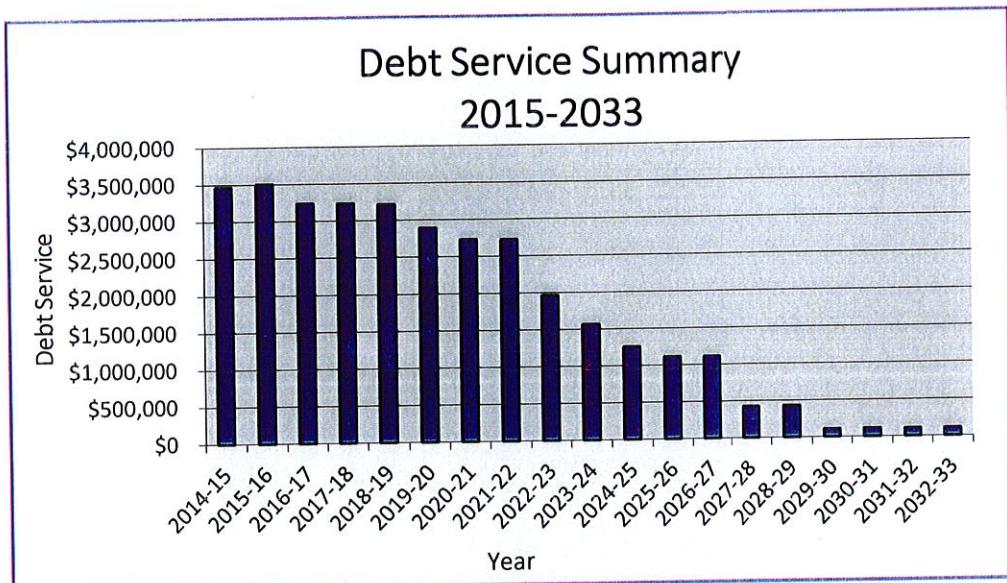


## PROPERTY TAX

Real estate property taxes account for approximately 49% of total revenues. The City maintains two taxing funds: the General Fund and the Debt Service Fund. Property tax revenues have been relatively flat with modest increases occurring as a result of annexation. Over the past three years the City levy has not changed and assessed valuation has not materially grown. Assessed valuation growth of 2% is expected to contribute to a slight increase in revenues in FY15. In FY16, valuation growth of 1% is forecasted.

Budgeted Property Tax Revenue Collection							
Fiscal Year	Assessed Valuation	Total Tax Levy	General Fund	Debt Service	Total Tax Revenue	General Fund	Debt Service
FY06	553,757,119	0.4935	0.4735	0.02	\$2,732,791	\$2,622,040	\$110,751
FY07	651,690,883	0.4984	0.4784	0.02	\$3,248,255	\$3,117,917	\$130,338
FY08	897,837,113	0.5235	0.4435	0.08	\$4,700,177	\$3,981,908	\$718,270
FY09	950,626,037	0.5235	0.4435	0.08	\$4,976,527	\$4,216,026	\$760,501
FY10	1,018,941,739	0.5235	0.4435	0.08	\$5,334,160	\$4,519,007	\$815,153
FY11	1,049,942,564	0.5235	0.4735	0.05	\$5,496,449	\$4,971,478	\$524,971
FY12	1,059,337,658	0.55	0.50	0.05	\$5,826,357	\$5,296,688	\$529,669
FY13	1,060,374,615	0.55	0.49	0.06	\$5,832,060	\$5,195,836	\$636,225
FY14	1,243,966,760	0.55	0.49	0.06	\$6,841,817	\$6,095,437	\$746,380
<b>FY15</b>	<b>1,268,827,646</b>	<b>0.55</b>	<b>0.49</b>	<b>0.06</b>	<b>\$6,978,552</b>	<b>\$6,217,255</b>	<b>\$761,297</b>

The following chart highlights the City's current debt load in the Debt Service Fund. The table that follows shows the budget for projected debt service and the property and sales tax funds necessary to support it. The table shows that even at the projected rates, the property tax revenue (*when combined with dedicated sales tax*) is still less than principal and interest obligations.



Debt Service Revenue & Expenditure Projections					
Fiscal Year	Debt Service Tax Rate Projections	Projected Property Tax Revenue	Sales Tax	Total Property & Sales Tax Revenue	Principal & Interest Payments
FY14	0.06	\$750,200	\$950,000	\$1,700,200	\$3,643,660
FY15	0.06	\$761,297	\$1,200,000	\$1,961,297	\$3,461,054
FY16	0.06	\$768,910	\$1,224,000	\$1,992,910	\$3,500,919
FY17	0.06	\$872,462	\$1,248,480	\$2,120,942	\$3,236,118
FY18	0.06	\$894,273	\$1,273,450	\$2,727,556	\$3,231,745
FY19	0.10	\$1,654,444	\$1,298,919	\$2,953,363	\$3,215,043

Capital Improvement Program projects continue to be reviewed and evaluated based on potential impact to property tax requirements. As a result, a number of projects have been moved to pending to avoid additional general obligation debt without identified funding sources.

The revenue generated by one cent of property tax in FY15 is \$126,883. Property taxes are calculated by multiplying the assessed valuation by the tax rate and dividing by 100. The following illustration shows the calculation of City tax liability for a home with an assessed valuation of \$200,000.



### Tax Value Illustration

Based on a home valued at \$200,000

To determine City tax liability:  
for general **City services**, multiply  
assessed valuation by tax rate & divide by 100.  
 $(\$200,000 \times .55)/100 = \$1,100$

**Total City Tax Liability = \$1,100**

To determine monthly expense for City services  
divide tax liability by 12 months

$\$1,100/12 = \$91.67$

Monthly Expense for City services = **\$91.67**

### Value of Your La Vista Dollar

The following list represents a sample of the City services provided for the **\$91.67** per month.

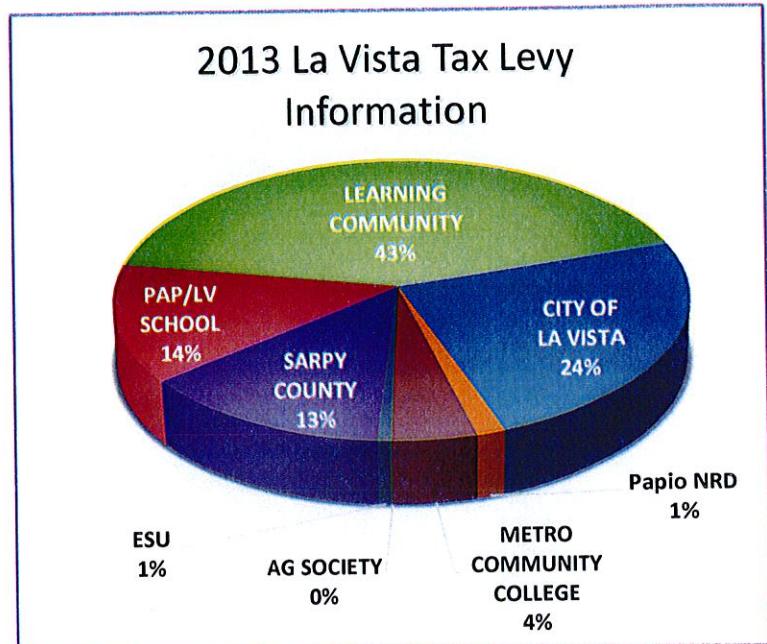
Animal Control	Government Administration	Road Maintenance
Building Inspection	New Road Construction	Special Services Transportation
Community Activities	Police Protection	Sidewalk Repair
Community Center	Public Library	Snow Removal
Community Development	Public Parks	Street Lighting
Community Newsletter	Public Swimming Pool	Traffic Control
Community Standards	Recreation Programs	
Fire & EMS		

## Property Tax Projections

Year	Assessed Valuations	Total Tax Levy	General Fund	Debt Service	Total Tax	General Fund	Debt Service
FY14	1,243,966,760	0.55	0.49	0.06	\$6,841,817	\$6,095,437	\$746,380
<b>FY15</b>	<b>1,268,827,646</b>	<b>0.55</b>	<b>0.49</b>	<b>0.06</b>	<b>\$6,978,552</b>	<b>\$6,217,255</b>	<b>\$761,297</b>
FY16	1,281,515,922	0.55	0.49	0.06	\$7,048,338	\$6,279,428	\$768,910
FY17	1,454,103,504	0.55	0.49	0.06	\$7,997,569	\$7,125,107	\$872,462
FY18	1,490,456,091	0.55	0.49	0.06	\$8,197,509	\$7,303,235	\$894,274
FY19	1,654,443,548	0.55	0.45	0.10	\$9,099,440	\$7,444,996	\$1,654,444

As identified on the table and chart below, the City's tax rate of .55 per \$100 of assessed valuation represents 24% of a La Vista property owner's current tax bill.

2013 La Vista Tax Levy Information		
1	COUNTY LEVY	0.2999
127	PAP/LV SCHOOL	0.120423
185	SCHL DIST 27 BOND 3	0.111305
186	SCHL DIST 27 BOND 4	0.059428
187	SCHL DIST 27 BOND 5	0.015292
199	LEARN COMM-GENERAL	0.95
202	ELEM LEARN COM	0.01
425	LAVISTA CITY	0.49
426	LAVISTA CITY BOND	0.06
501	PATIO NATURAL RESRCE	0.024224
502	PATIO NRD BOND	0.008529
701	MUD	0
801	METRO COMMUNITY COLL	0.095
901	AGRICULTURAL SOCIETY	0.002104
1003	ED SERVICE UNIT 3	0.015
Total Levy		2.261205



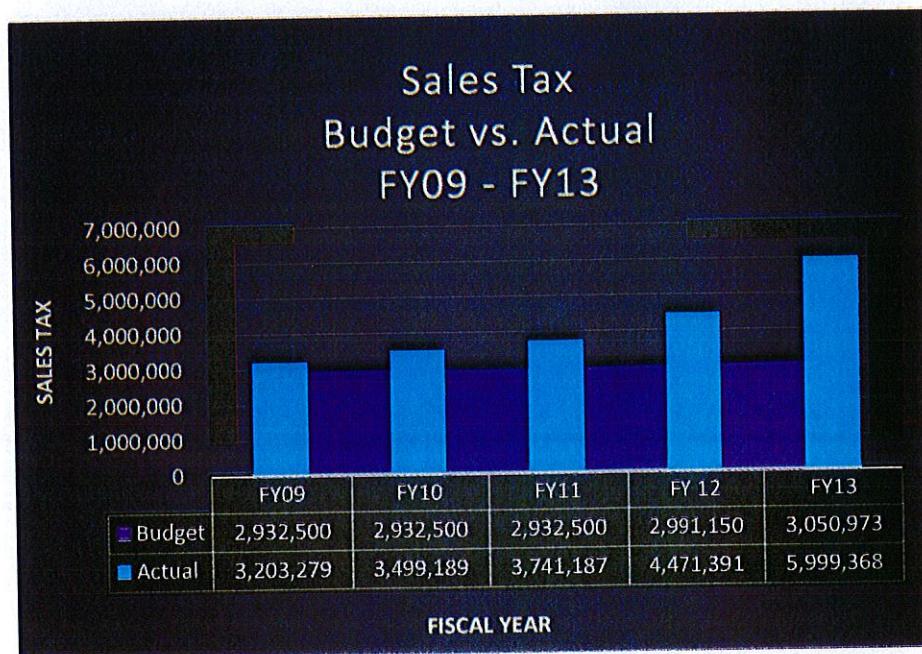
## SALES TAX

It is estimated that the City will actually earn \$5.3M in sales tax during FY14. A \$2.46M economic development incentive refund authorized by the State of Nebraska and other smaller refunds will leave the City with approximately \$2.85M. The budgeted sales tax for the current FY14 is \$912,915 (*General Fund & Debt Service*) and an additional \$1.9M is anticipated.

As noted in prior years, despite the difficulty in trying to obtain specific information from the Nebraska Department of Revenue, we continue to try to develop a better understanding of our local sales and use tax receipts through the means that are available to us.

While recent legislation allows the City to designate a representative to review sales and use tax information for businesses located in the City, we are still at a serious disadvantage when it comes to projecting the impact of State economic development incentives that are privately negotiated. Even with the legislation we are unable to obtain historical data from companies both in the City and our ETJ. It is difficult, if not impossible to project with any degree of confidence what can actually be applied to revenue projections. As a result, we must remain overly conservative while recognizing the critical need for refinement.

As evidenced in the chart below, over the past five years the City's sales tax revenue has exceeded budget by about an average of 9.8%.



In May 2014, La Vista voters gave approval to increase the local sales tax rate by  $\frac{1}{2}$  of 1 percent (.5) to facilitate the redevelopment of 84<sup>th</sup> Street. This will increase the City's total sales tax rate to 2% effective on October 1, 2014.

Sales tax growth for the duration of the forecast period is projected in the table below. We continue to be optimistic and believe that sales tax revenues will increase as the economy improves, our projections however, remain conservative at 2% for the forecast period primarily because of unknowns associated with State incentive refunds and other commercial activity.

Sales Tax Projections					
Fiscal Year	Increase	General Fund (1.5%)	Debt Service (.5%)	Redev Fund (.5%)	Total Receipts
*FY14	-52.49%	\$1,900,000	\$950,000		\$2,850,000
**FY15	294.34%	\$2,400,000	\$1,200,000	\$1,200,000	\$4,800,000
FY16	2.00%	\$2,448,000	\$1,224,000	\$1,224,000	\$4,896,000
FY17	2.00%	\$2,496,960	\$1,248,480	\$1,248,480	\$4,993,920
FY18	2.00%	\$2,546,899	\$1,273,450	\$1,273,450	\$5,093,798
FY19	2.00%	\$2,597,837	\$1,298,919	\$1,298,919	\$5,195,674

\* Year end estimate

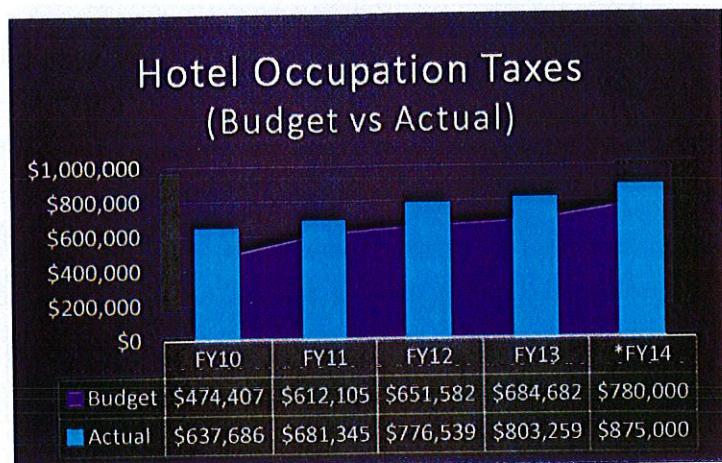
\*\*FY14 & 15 sales tax increase are skewed because of the unusually high amount of sales tax refunded in FY14.

## HOTEL OCCUPANCY TAX

The City of La Vista currently takes pride in having three top notch hotels including a JQH Embassy Suites, a JQH Marriott Courtyard and Hampton Inn to total 623 rooms. The City's Hotel Occupancy tax rate is 5% per room, per night.

It is likely that the recent economic recession and the slower than anticipated development of the surrounding areas have affected projections in the original pro formas. As the economy has begun to show signs of improvement over the past couple of years, hotel tax revenues have exceeded budget projections as identified in the following chart. As such, we remain optimistic that as the economy continues to improve and the surrounding area continues to develop, revenue received will be more in line with the original projections. The FY15 budget and forecast for FY16-19 are based on a 2.5% annual increase. We are no longer basing projections on the pro formas.

Hotel Occupation Tax Revenue			
Fiscal Year	Budget	Pro Forma Reduction	Actual
FY10	\$474,407		\$637,686
FY11	\$612,105	40%	\$681,345
FY12	\$651,582	40%	\$776,539
FY13	\$684,682	40%	\$803,259
*FY14	\$780,000	35%	\$875,000
<b>FY15</b>	<b>\$900,000</b>		
FY16	\$945,000		
FY17	\$992,250		
FY18	\$1,041,863		
FY19	\$1,093,956		

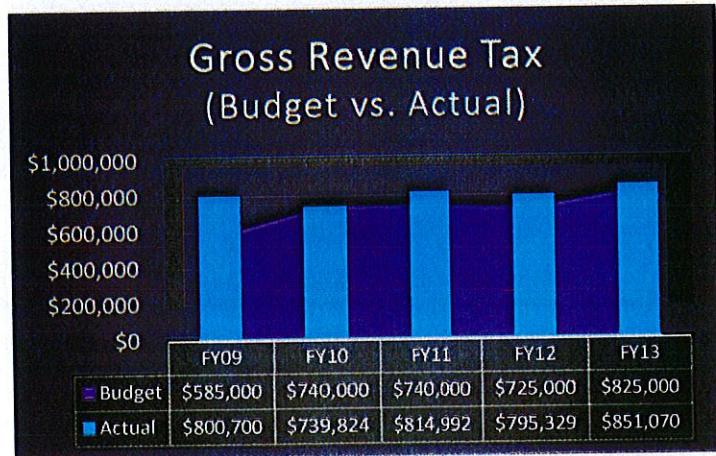


\*Year-end estimate

#### GROSS REVENUE TAX (FRANCHISE FEES & OCCUPATION TAXES)

Another critical source of revenue for the City is the Gross Revenue Tax. The Gross Revenue Tax includes Franchise Fees and Occupation Taxes (*excluding Hotel Occupation Tax*) which are established by Franchise Agreements and the Master Fee Ordinance. The budgeted amount for the current FY14 is \$850,000 and the year-end estimate is \$900,000. Revenue of \$925,000 for FY15 is projected based on a 5-year average increase of 4%. This revenue source must continue to be monitored as the legislature reviews it from time to time and contemplated changes could have significant impact. The projections for this revenue source remain conservative.

Gross Revenue Tax		
Fiscal Year	Budget	Actual
FY09	\$585,000	\$800,700
FY10	\$740,000	\$739,824
FY11	\$740,000	\$814,992
FY12	\$725,000	\$795,329
FY13	\$825,000	\$851,070
FY14	\$850,000	\$900,000
<b>FY15</b>	<b>\$925,000</b>	
FY16	\$962,000	
FY17	\$1,000,480	
FY18	\$1,040,499	
FY19	\$1,082,119	



\*Year-end estimate

## Future Expenditures

The projections prepared for the General Fund take into account expenditures required to maintain current City services as well as some future costs. Assumptions about pay increases, utility rates, and funding priorities will change as the Mayor and Council establish their budget plans each year. Consequently, the estimates incorporated herein represent projections and should not be viewed as an official or proposed spending plan for any other year than FY15.

### ASSUMPTIONS

- A projected salary increase of 2.0% is included for all employees in each year FY16-FY19
- Current agreement with the La Vista Fraternal Order of Police will expire on October 1, 2014
- Funding for health benefits is projected to increase by 3% annually for years FY16-FY19
- Operating budgets reflect 5% increases in years FY16-FY19
- Capital expenditures are projected at \$200,000 annually in years FY16-FY19
- FY17 anticipates complete repayment of JQH Economic Development Program loan

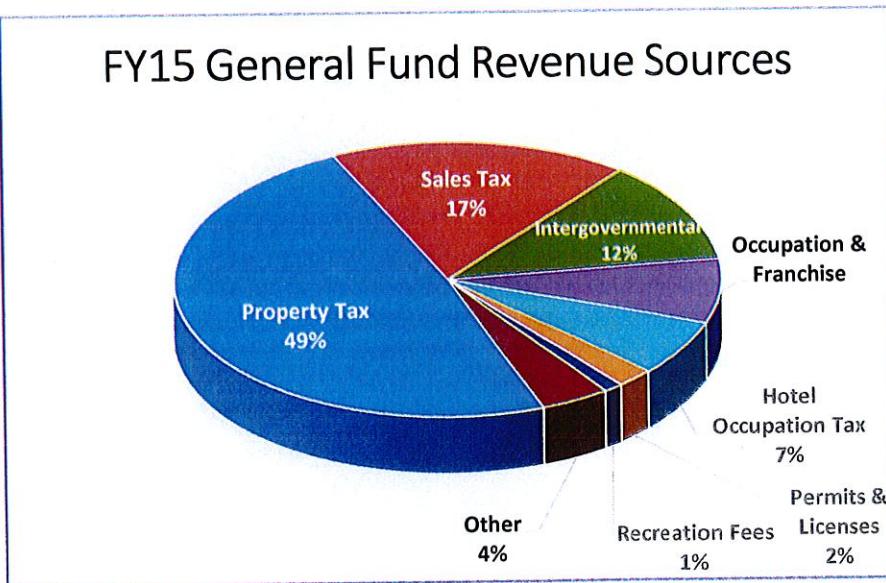
## General Fund Revenues

In FY15, total General Fund revenues are projected to be \$13,677,046 (*including grants of \$251,565*) as compared to the \$13,006,042 in revenues estimated to be received in FY14 which exceeds the budget by \$1,664,150. The reason for higher than budgeted revenues in FY14 is primarily the result of receiving considerably more sales tax revenue than originally budgeted.

Property tax (*including Real Estate taxes, Back Year taxes, Homestead Exemption and Motor Vehicle Taxes*), accounts for 49% of the General Fund revenue. Other significant General Fund revenues include: Sales Tax, Intergovernmental allocations, Hotel Occupation Tax and Gross Revenue Tax revenues. The total of real estate property taxes projected in the General Fund is \$6,217,255 for FY15 based on \$1,268,827,646 in assessed valuation. A \$.49 General Fund property tax levy is being recommended. (*A more accurate estimate of the property tax required will be known after the City receives the final assessed valuation figures from the County Assessor on or around August 20, 2014.*)

The General Fund Source of Funds Summary below highlights the recent revenue trend.

General Fund Source of Revenue Summary				
	FY12 Actual	FY13 Actual	FY14 YEE	FY15 Recommended
<b>Beginning Balance</b>	<b>\$4,038,824</b>	<b>\$4,928,552</b>	<b>\$7,571,010</b>	<b>\$6,796,586</b>
<b>REVENUES</b>				
Property Tax	5,612,173	5,574,256	6,549,437	6,672,255
Sales Tax	2,980,927	3,999,579	1,900,000	2,400,000
Payment in lieu of taxes	181,963	210,273	249,675	274,643
State Revenue	1,284,732	1,331,203	1,326,025	1,388,300
Occupation & Franchise tax	886,215	945,136	1,007,000	1,033,000
Hotel Occupation Tax	776,539	803,259	875,000	900,000
Permits & Licenses	364,171	392,724	354,800	306,850
Interest Income	12,476	15,506	12,000	15,000
Recreation Fees	163,084	165,586	151,500	154,000
Special Services	28,556	22,885	23,400	25,500
Grant Income	233,449	185,584	209,570	251,565
Transfers	(1,185,547)	(1,172,630)	(898,545)	(1,305,400)
Other	982,320	1,516,544	347,635	255,933
<b>Operating Revenues</b>	<b>12,321,058</b>	<b>13,989,904</b>	<b>12,107,497</b>	<b>12,371,646</b>
<b>Total Available Resources</b>	<b>16,359,882</b>	<b>18,918,457</b>	<b>19,678,507</b>	<b>19,168,232</b>



## General Fund Expenditures

Maintaining existing services continues to be a priority in the year ahead. Providing support for the personnel who deliver the services the community expects comprises the majority of the City's operating budget.

The General Fund expense forecast (FY16-FY19) is based upon 2% annual growth in personnel costs, 3% increase in health & dental insurance and 5% in operations. (*Personnel costs, including insurance have averaged about 6.8% over the past several years*).

The base budget represents the cost of maintaining the level of service to residents that is currently being offered. Wages and benefits are set and operating expenditures have to adapt to the budget. The departments were given a base budget from which to prepare their budget and were advised to request additional funding for increases that their base budgets would not accommodate. The additional requests represent proposed new personnel, programs, service enhancements, projects and equipment purchases.

The recommended FY15 General Fund budgeted operating expenditures are about a 4% increase over FY14 which results in an operating expenditure rate slightly less than the revenues.

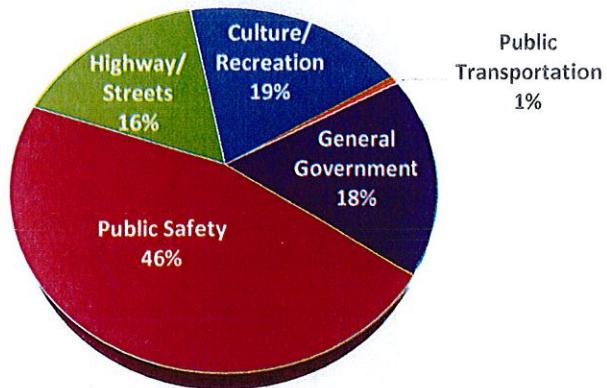
Noteworthy factors contributing to this increase include:

- Information Technology Department (IT) being funded solely in the General Fund (*in the past, the Sewer Fund had funded a large portion*)
- Change Administration/Sewer split from 70/30 to 75/25. (*In the past 30% of the Administration, Street Administration and Human Resources budgets were funded by Sewer*).
- Full year of funding Fire Service Contract

Transfers to the Economic Development Program (EDP), Off-Street Parking (OSP) and Capital Improvement Program Funds amount to \$1,365,000. Historically, General Fund budgets have shown actual operational savings at the end of the year. The FY14 year-end-estimate projects a savings of approximately \$681,000.

The growth in General Fund expenditures has averaged about 6.4% over the past five years. As you can see in the following chart, Public Safety (*Police, Fire & EMS, Animal Control and Community Development*) requires the most significant expenditures (46%). This is followed by Culture/Recreation (*Parks, Recreation, Library, Sports Complex and Pool*) at 19%, Public Works at 16%, General Government (*Mayor & Council, Boards & Commissions, Administration, Administrative Services and Human Resources*) at 18%, and Public Transportation at 1%.

## FY15 General Fund Expenditures by Category



### General Fund Expenditure Summary by Department

Expenditures	FY13 Actual	FY14 Budget	FY14 Estimate	FY15 Recommended	FY14-15 Change
*Administrative Services	0	0	161,728	538,333	N/A
Mayor and Council	126,025	182,737	176,022	178,642	-2.20%
Boards and Commissions	6,700	15,220	9,205	8,882	-41.60%
Building Maintenance	517,625	592,144	577,387	515,368	-13.00%
*Administration	863,440	887,650	736,530	484,527	15.20%
Police	3,855,040	4,265,386	4,106,638	4,274,709	0.20%
Animal Control	43,640	47,000	47,690	49,900	6.20%
Fire	459,612	1,278,023	1,114,851	1,525,700	19.40%
Community Development	540,064	702,611	500,480	581,715	-17.20%
Street Administration	230,021	218,126	213,131	227,727	4.40%
Street Operating	1,901,331	2,144,744	2,072,317	2,102,521	-2.00%
Parks	715,686	871,492	842,254	856,604	-1.70%
Sports Complex	322,270	370,303	366,579	434,050	17.20%
Library	638,620	710,990	727,956	736,275	3.60%
Information Technology	0	0	0	204,200	N/A
Recreation	498,990	582,097	556,754	542,907	-6.70%
Swimming Pool	103,755	116,878	116,878	119,248	2.00%
Human Resources	441,384	479,186	471,861	562,675	17.40%
Special Services Bus	63,758	98,177	77,760	99,742	1.60%
Public Transportation	6,673	0	5,900	5,200	N/A
<b>Total Expenditures</b>	<b>11,334,633</b>	<b>13,562,764</b>	<b>12,881,921</b>	<b>14,048,925</b>	<b>3.58%</b>

\* Split Administrative Services from Administration in FY15 and for FY14 Year-end estimate

## CASH RESERVE

One of the objectives of the long-range financial forecast is to maintain an acceptable reserve level. Ideally it is recommended that the municipal budget maintain a General Fund cash reserve of 20-25%. The proposed FY15 budget maintains a cash reserve of 37% and subsequent projections generally fall within the desired reserve range. Because of the foreseeable transfers to the Off-Street Parking District and Economic Development Program it is recommended that the tax levy of .49 in the General Fund remain the same.

## PERSONNEL

In the recommended General Fund budget, payroll costs cover 109 full-time positions as well as 32.56 full-time equivalent positions (FTEs) and .75 FTE intern positions.

- A base factor of 2.5% is being recommended for the PFP compensation system which covers all employees not a part of a collective bargaining agreement. This recommendation is based on market conditions.
- The proposed budget anticipates a 5% increase in health insurance premiums. In FY14 the City took a new approach to health insurance delivery by buying a high deductible plan (*lowering the City's premiums*) and self-insuring the portion between this and prior plans the employees were familiar with. (*Utilizing the premium savings to fund the difference and begin to build a reserve*). This initiative was implemented in January 2014 so the impact remains to be seen. It was however, anticipated that it would take a couple of years to understand the true impact.
- Currently, all employees who elect to participate in the City's group health/dental insurance pay a portion of the premium. Specifically, employees who elect single coverage pay 10% of the cost of that premium. Current year costs for an employee with single health and dental coverage are: City pays \$5,764 to BCBS and Lincoln Financial plus an additional amount to providers for employees who meet their health insurance deductible; employee pays \$747; total single coverage cost \$6,511.

Employees who elect any tier of benefit other than single coverage pay 20% of the cost of that premium. Current year costs for an employee with family health and dental coverage are: City pays \$14,524 to BCBS and Lincoln Financial plus an additional amount to providers for employees who meet their health deductible; employee pays \$4,329; total family coverage cost \$18,853.

The employee's contribution is calculated on a combination of the BCBS payment and the City's deductible liability.

- The following table summarizes the personnel requests throughout the proposed budget document.

Personnel Requests					
Position	Department/Division	Request	Current Range	Proposed Range	Recommended
<b>Building Inspector I</b>	Community Development	Fill open position			No
<b>Maintenance Worker I</b>	Street Operating	Maintenance Worker II	130	140	Yes
<b>Maintenance Worker I</b>	Street Operating	New position	130	130	No
<b>PT Time Circulation Clerk</b>	Library	Additional PT position	110	110	Yes

## OTHER

- Recommended travel and training are 1.2% of the general fund budget.
- Funding is being requested for the Mayor and (1) City Council member, along with (4) staff members to attend the National Civic League All America City Awards. Each year the National Civic League recognizes 10 communities for outstanding civic accomplishments. To win, each community must demonstrate innovation, inclusiveness, civic engagement and cross sector collaboration by describing successful efforts to address pressing local challenges. The award program culminates in a three-day event where community delegations tell their stories of successful change to a national jury of business, nonprofit and local government experts.

The City of South Sioux City won this award in 2003 and is the only Nebraska city to have achieved this designation. Their City Administrator has advised that anyone interested in participating in this process should attend the awards program to get a feel for the process and have an understanding of the competition. This was actually budgeted in FY14, however because of other priorities we did not pursue attendance. With the many opportunities anticipated to present themselves in the near future, including the redevelopment of 84th Street, developing future programming and updating the Comprehensive Plan and strategic plan, it would be helpful to gain some insight into how to best position La Vista to compete for recognition for the efforts of our community.

- In FY15 \$1,349,491 was requested in the General Fund for capital expenditures. Funding of \$415,000 is recommended by the Managing Directors.

### Summary of Revenue & Expenditures by Fund

Revenues by Fund	2013 Actual	2014 Budget	2014 Estimate	2015 Recommended
<b>General</b>	<b>15,162,534</b>	<b>11,341,892</b>	<b>13,006,042</b>	<b>13,677,046</b>
<b>Sewer</b>	<b>2,675,322</b>	<b>2,944,060</b>	<b>2,944,261</b>	<b>3,198,238</b>
<b>Debt Service</b>	<b>4,203,864</b>	<b>2,023,116</b>	<b>2,787,397</b>	<b>3,086,200</b>
<b>Capital</b>	<b>1,315,641</b>	<b>2,528,628</b>	<b>1,189,669</b>	<b>4,185,089</b>
<b>Lottery</b>	<b>1,297,197</b>	<b>1,269,215</b>	<b>1,316,945</b>	<b>2,146,700</b>
<b>Golf</b>	<b>235,372</b>	<b>222,825</b>	<b>222,825</b>	<b>223,250</b>
<b>Economic Development</b>	<b>1,186,573</b>	<b>1,186,573</b>	<b>1,186,573</b>	<b>1,186,573</b>
<b>Off-Street Parking</b>	<b>49</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Redevelopment</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,200,000</b>
<b>TOTAL</b>	<b>26,076,553</b>	<b>21,516,309</b>	<b>22,653,712</b>	<b>28,903,096</b>
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<b>Expenditures by Fund</b>				
<b>General</b>	<b>11,164,795</b>	<b>13,152,296</b>	<b>12,527,853</b>	<b>13,633,925</b>
<b>Sewer</b>	<b>2,446,037</b>	<b>2,953,704</b>	<b>2,870,256</b>	<b>3,236,879</b>
<b>Debt Service</b>	<b>3,826,944</b>	<b>4,536,048</b>	<b>4,422,186</b>	<b>4,856,791</b>
<b>Capital</b>	<b>1,315,641</b>	<b>2,528,628</b>	<b>1,189,669</b>	<b>4,185,089</b>
<b>Lottery</b>	<b>577,055</b>	<b>497,019</b>	<b>1,213,996</b>	<b>512,179</b>
<b>Golf</b>	<b>450,125</b>	<b>473,708</b>	<b>466,920</b>	<b>334,128</b>
<b>Economic Development</b>	<b>1,999,662</b>	<b>1,998,396</b>	<b>1,998,396</b>	<b>1,998,854</b>
<b>Off-Street Parking</b>	<b>614,845</b>	<b>615,360</b>	<b>615,060</b>	<b>619,027</b>
<b>Redevelopment</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>200,000</b>
<b>TOTAL</b>	<b>22,395,105</b>	<b>26,755,159</b>	<b>25,304,336</b>	<b>29,576,872</b>
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<b>Transfers by Fund</b>				
<b>General</b>	<b>(1,172,630.00)</b>	<b>(988,545.00)</b>	<b>(898,545.00)</b>	<b>(1,305,400.00)</b>
<b>Sewer</b>	<b>-</b>	<b>(36,000.00)</b>	<b>(20,000.00)</b>	<b>(28,000.00)</b>
<b>Debt Service</b>	<b>536,343.00</b>	<b>(264,070.00)</b>	<b>(124,210.00)</b>	<b>(653,576.00)</b>
<b>Capital</b>	<b>304,991.00</b>	<b>1,275,493.00</b>	<b>645,169.00</b>	<b>2,260,089.00</b>
<b>Lottery</b>	<b>(1,123,704.00)</b>	<b>(1,441,879.00)</b>	<b>(992,415.00)</b>	<b>(1,613,113.00)</b>
<b>Golf</b>	<b>250,000</b>	<b>250,000</b>	<b>185,000</b>	<b>125,000</b>
<b>Economic Development</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>
<b>Off-Street Parking</b>	<b>605,000</b>	<b>605,000</b>	<b>605,000</b>	<b>615,000</b>
<b>Redevelopment</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET TRANSFERS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Strategic Planning Initiatives

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The Strategic Plan establishes the foundation for long-range planning processes and outlines the City's vision for the future. The budget focuses on implementation of the plan. The Governing Body has established these eight (8) strategic priorities that guide the City's activity.

1. Pursue revitalization of the 84<sup>th</sup> Street corridor & other economic development opportunities
2. Provide for planned, fiscally responsible expansion of the City's boundaries
3. Maintain quality of older residential neighborhoods
4. Enhance La Vista's identity and raise awareness of the City's many qualities
5. Improve and expand the City's quality of life amenities for residents and visitors
6. Pursue action that enables the City to be more proactive on legislative issues & other areas of common interest
7. Adopt and implement standards of excellence for the administration of City services
8. Insure efficient, effective investment in technology to enhance service delivery

These goals align with the following financial recommendations included in the annual budget and CIP.

- **Pursue revitalization of the 84<sup>th</sup> Street Corridor & other economic development opportunities**
  - a. Attendance at annual ICSC conference — \$12,295
  - b. Funding for 84<sup>th</sup> Street Redevelopment — \$1.2M Sales Tax (*additional ½ cent*)
  - c. 84<sup>th</sup> Street Redevelopment Projects — \$200,000
- **Provide for planned, fiscally responsible expansion of the city's boundaries**
  - a. Comprehensive Plan Update & Community-wide Strategic Plan — \$150,000
- **Maintain the quality of older residential neighborhoods**
  - a. Thompson Creek-Phase IV — \$2,063,000
- **Enhance La Vista's identity and raise awareness of the City's many qualities**
  - a. Increase communications with La Vista residents and other key audiences
    - 1. Improvements to Council Chambers Audio/Video — \$80,000
    - 2. CityWise quarterly newsletter — \$32,400 (printing, design & postage)
    - 3. Annual report to residents — \$8,000
  - b. Develop and aggressively market a La Vista community identity through strategic partnerships with the Chamber of Commerce and the Community Foundation
    - 1. Provide funding for updating community marketing materials \$10,000
    - 2. ICSC Booth — \$12,000
    - 3. La Vista Daze & other event marketing \$22,600

- **Improve and expand the City's Quality of life amenities for residents and visitors to the community**
  - a. Create new opportunities that bring residents together for celebration, leisure pursuits or civic engagement
    - Summer Concert Series & Movie Nights — \$8,845
    - Urban Race — \$5,560
    - Splash Bash — \$1,400
    - La Vista Daze — \$30,300
    - 5K Race — \$2,934
    - Various community events — \$9,150      (*i.e. Halloween Safe Night, Tree Lighting & Chili Feed, etc.*)
    - Marketing (*all events*) — \$22,600
    - Employee Activity Committee — \$1,000
  - b. Vision 84 – Implementation — \$200,000 (same as above)
  - c. Winter Holiday Decorations — \$50,000
- **Maintain and enhance City's existing and future park areas and green spaces**
  - a. Adoption & implementation of 1&4 Year Tree Plan — \$5,000
- **Pursue action that enables the City to be more proactive on legislative issues**
  - a. Continue funding lobbyist in collaboration with other Sarpy County municipalities for issues of common interest — \$10,000
    - Identify legislative issues of specific interest to La Vista and allocate resources for lobbying efforts — \$13,000
- **Adopt and implement standards of excellence for the administration of city services**
  - a. Recommended budget provides funding of \$1,785,728 for Fire & EMS services as a part of the new service agreement with the City of Papillion.
  - b. Utilize technology to create more efficient financial processes — \$212,000 (*2<sup>nd</sup> year*)
  - c. Expand formal learning opportunities for employee development
    - i. Provide and fund training opportunities — \$163,436 General Fund
  - d. Identify opportunities for developing Boards & Commissions
    - i. Provide training opportunities for members — \$3,895
  - e. Begin process of developing a high performance work culture
    - i. Organizational performance measure program (ICMA-CPM) — \$5,595
  - f. Ensure that citizen feedback is solicited and utilized in the evaluation and development of programs and services
    - i. Comprehensive Plan Update & Strategic Planning — \$150,000 (*same as above*)
  - g. Ensure efficient, effective investment in technology to enhance service delivery
    - ii. Business Continuity — \$50,000
    - iii. Financial Software — \$212,000 (*same as above*)
    - iv. Council Chamber Technology Upgrade — \$80,000
    - v. Radio Replacement — \$65,000
    - vi. Fiber — \$46,200

## Summary

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The City of La Vista will continue to face a number of issues that present both challenges and opportunities over the next several years. Similar to past fiscal years the budget is designed to meet existing and emerging needs of the City through implementation of the Strategic Plan, while largely maintaining current service levels.

The proposed budget recognizes the economic environment and difficult budget choices that the City has made over the last several years, as well as the significant issues that relate to the predictability of sales tax. It is fiscally conservative and does not fund all desired City services or projects. The uncertain economic environment has reinforced the need to ensure that the City's resources are allocated most effectively. We must continue to think more broadly and creatively about how to maintain high levels of service which means looking beyond simply waste reduction. We must pursue larger and more difficult opportunities to achieve meaningful savings. A great example of this is merging Fire & EMS services with the City of Papillion in order to maintain a high level of service, ensure efficient use of resources and ultimately result in long term cost savings.

We will soon be in a position to utilize the data collected via the Performance Measurement Program. It is expected that through the measurement and implementation of performance standards, objective data regarding the City's programs and services will be provided which will become the basis of ongoing conversations to determine if we are indeed "doing the right things" and achieving the desired outcomes.

The City of La Vista will continue to face the challenges resulting from fast growth, high demand for services and infrastructure, and pressure for additional staff. Disciplined, sustainable growth does not occur without vision and strategic leadership. Good decisions result when policy leaders keep their focus on the long term and avoid hasty reactions to immediate crises. The Mayor & City Council of La Vista have become well known for long range planning and implementation.

Continuous process improvements, finding new ways of doing things and making tough decisions will be fundamental to ensuring the City's ongoing success.