

FY19 & FY20 BIENNIAL BUDGET

July 2, 2018

Honorable Mayor Kindig and Members of the City Council,

We are pleased to present the City's second Biennial Budget, proposed for FY19 and FY20. Review and adoption of the budget is one of the most important policy decisions that the elected officials make. It serves as a policy tool for the Mayor and City Council, an operational guide for City staff and an information source for the public. The proposed budget was developed with a primary focus of accomplishing the goals established in the City's Strategic Plan 2018 - 2020. Work continues to improve the form and content of the budget document, which has been updated to enhance the transparency of City government and the public's understanding of the various services that we provide.

Although the biennial budget is adopted for two years, it is evaluated and revised by the the City Council during the mid-biennium to adjust revenue estimates, establish tax rates and ensure continued alignment with the Mayor and City Council's goals and community priorities.

The recommended 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 reflects the need to invest in operations in order to address some of the pressures associated with municipal service delivery in a rapidly growing and prospering 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.

Similar to prior years, the budget is planned to meet the City's existing and emerging needs. We continue to take a strategic approach to balancing the need to deliver essential services to a growing community while maintaining financial flexibility to support new opportunities.

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 City Centre and Civic Center Park become the walkable, mixed-use destination sure to revitalize the City's core and enhance the quality of life of our citizens.

Despite the challenges of meeting service demands and infrastructure needs in our growing, dynamic community, La Vista is in a strong financial position. The recommended budget builds on a solid foundation of prior years' budgets and financial strategies and positions the City well for the future.

FY18 OVERVIEW

The City's administrative leadership team successfully contained costs this year, while maintaining predictable levels of service and delivering the largest capital improvement program in our history. As a result of the City's growing economy and sound fiscal management, fund balances are healthy and the FY18 year-end estimates in most funds project ending balances that exceed the budget.

The City's estimated fund balance in the General Fund is projected to be approximately \$6.28 million as of September 30, 2018. This balance represents a 20% increase over the budgeted amount of \$5.2 million and exceeds the 20 - 25% fund balance goal. The City's enterprise fund (Sewer) is projected to have a balance of \$717,414 and an \$880,241 contingency reserve at the end of FY18.

In November 2017, Moody's Investors Service affirmed the City's Aa3 bond rating on outstanding general obligation bond debt and upgraded the rating on the City's outstanding economic development bonds to A1 from A2. In June 2018, this bond was called, as the outstanding principal and interest related to the JQH economic development program loan was paid in full.

Our staff brings considerable knowledge, experience, enthusiasm and innovation to each and every task they face. The teamwork among individuals and departments ensures that we are aligned and pulling in the same direction, utilizing our resources wisely and effectively, and seizing opportunities to move the City of La Vista forward.

In addition to producing several of the traditional community events that residents have come to know and love such as Salute to Summer, Taste of La Vista, Holiday Lights, and Santa's Workshop to name a few, collaborative team efforts yielded the following accomplishments:

- Developing Strategic Plan 2018 - 2020
- Creating Neglected Building Registration Program
- Maintaining Aa3 Bond Rating
- Hiring first Human Resources Director
- Civic Center Park Lake Improvements
- City Centre Public Infrastructure Improvements
- Corridor 84 Streetscape Plan Development

LONG-RANGE FINANCIAL FORECAST

Considerable effort was expended this past year to document and present elements of a long-range financial plan. While this is very much the beginning of a work in progress, we must continue our focus on long-range planning.

The long-range financial forecast is not intended as a budget or as a proposed plan. Rather, it is an internal evaluation tool for staff to project possible outcomes based on a set of variables and assumptions that sets the stage for the budget process and assists in establishing priorities, allocating resources appropriately and facilitating long-term solutions over short-run fixes.

City staff prepares and updates the City's financial forecasts annually in preparation for developing the budget. The budget workbook contains two years of funding proposals for FY19 & FY20 and projections for an additional three years FY21 – FY23. While the further out we look, the more challenging it is to forecast, it is essential that we maintain focus on the future so that we can monitor and adjust fiscal policies as necessary and plan for service demands.

As noted in prior years, this will continue to be challenging as there are so many uncertainties, including the rate at which growth will occur, the timing of new development and providing essential public services, unknown State economic development incentives, commodity prices, and growth in property values.



BUDGET ASSUMPTIONS

The projections made as part of the Biennial Budget reflect numerous assumptions related to revenues and expenditures in FYs19 & 20 and beyond. These assumptions are a reasonable starting point for estimating the long-term status of the various funds, however, as we project out further in time, the assumptions become broader as we have less certainty. 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 June 2018. *More detail regarding the respective assumptions can be found in the Appendix.*

Key points of consideration continuing since the previous budget cycle include:

- Although net taxable sales continue to increase, impacts of the privately negotiated State economic development incentive refunds and lack of transparency remain significant budgetary challenges. We remain steadfast in our efforts to anticipate refund claims, reserve funds for future claims and set aside funds in anticipation of claims from prior years.
- Continued transformation of La Vista City Centre into a dynamic, urban mixed-use city center that will create a memorable and distinct identity, a vibrant mix of land uses, a sense of community and a high quality of life for residents.
- Ongoing construction of public improvements in the redevelopment area to eliminate and prevent from recurring, substandard and blighted conditions and to ensure, among other things, public safety, sufficient public streets, public off-street parking and uncongested traffic flows along City streets and in and around the redevelopment area. This also includes improvements to Civic Center Park.

As a result of the current financial outlook, the recommended FY19 & FY20 Biennial Budget:

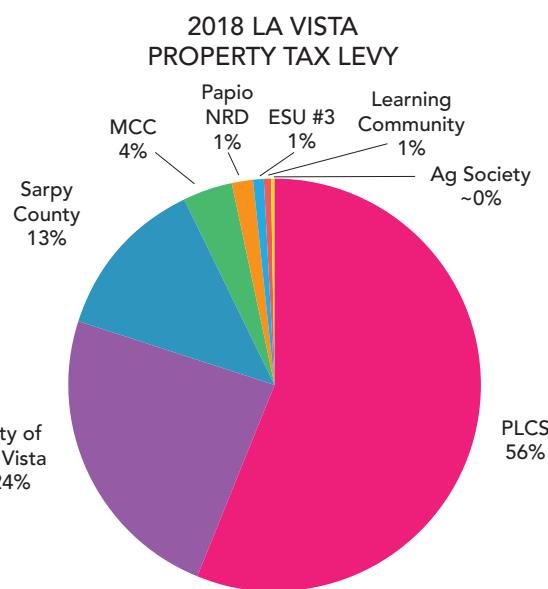
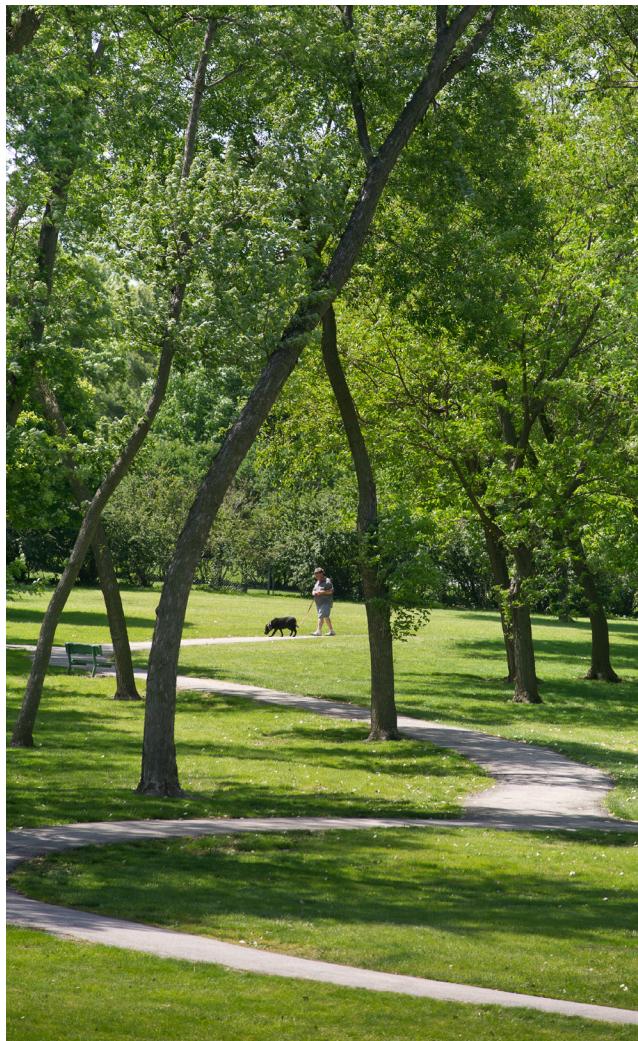
- Reflects La Vista's experience of growth in assessed property valuation. According to the information received from the Sarpy County Assessor's office, the 2018 preliminary taxable value for the City of La Vista is \$1,543,977,769 an increase of 3.15% over the 2017 certified taxable value.
- Property tax levy remains flat at .55 per \$100 of assessed value. (*Tax levy has been held at .55 for the past 7 years.*)
- Annual property tax revenue allocations:
 - General Fund .49
 - Debt Service Fund .06
- Sales and Use Tax revenue growth at a modest rate, while being plagued with issues related to the impact of incentive refunds.
- More clearly identifying a reserve strategy for cash flow during months in which economic development incentives offered by the State affect monthly budgeted sales tax receipts.
- Maintains appropriate reserve levels in all funds.
- Continues to focus on providing quality city services.
- Addresses staffing issues related to the City's growth.
- Recommends several public infrastructure projects related to the publicly demanded elimination of substandard and blighted conditions and the revitalization of 84th Street.
- Includes prior loan payment commitments as part of capital outlay expenditures.

OTHER FACTORS AFFECTING THE FY19 & FY20 BIENNIAL BUDGET

TAX BASE GROWTH & THE LOCAL ECONOMY

The City's projected taxable assessed valuation is \$1,543,977,769, an increase of 3.15% which results in tax revenue of \$7,565,491 for the general fund and \$926,387 for debt service purposes. Property taxes are a primary funding source for both the General Fund and Debt Service Fund and account for 14.5% of the City's total revenues. The revenue generated by one cent of property tax levy in FY18 is \$154,397. (A table with detailed budgeted and projected property tax revenue collection information can be found in the Appendix)

The following chart shows that the City's tax rate of .55/\$100 assessed valuation represents 24% of a La Vista property owners current tax bill.



LA VISTA PROPERTY TAX LEVY BREAKDOWN

EXHIBIT 1.01

Fund	Description	Levy
1	COUNTY LEVY	0.2969
127	PAPILLION/LA VISTA SCHOOL	1.075987
185	SCHL DIST 27 BOND 3	0.101454
186	SCHL DIST 27 BOND 4	0.056456
187	SCH DIST 27 BOND 5	0.071911
202	LEARN COM-ELEM LEARNING	0.01625
425	LAVISTA CITY	0.41
426	LAVISTA CITY BOND	0.14
501	PAPIO NATURAL RESRCE	0.030788
502	PAPIO NRD BOND	0.007009
701	MUD	0
801	METRO COMMUNITY COLL	0.095
901	AGRICULTURAL SOCIETY	0.002587
1003	ED SERVICE UNIT 3	0.015
TOTAL LEVY		2.319342

ANNEXATION

The City's Annexation Plan, which is reviewed regularly, identifies priorities for bringing unincorporated areas into the City and extending municipal services, regulations, voting privileges and taxing authority to new territory. Recent review identified the following areas for consideration:

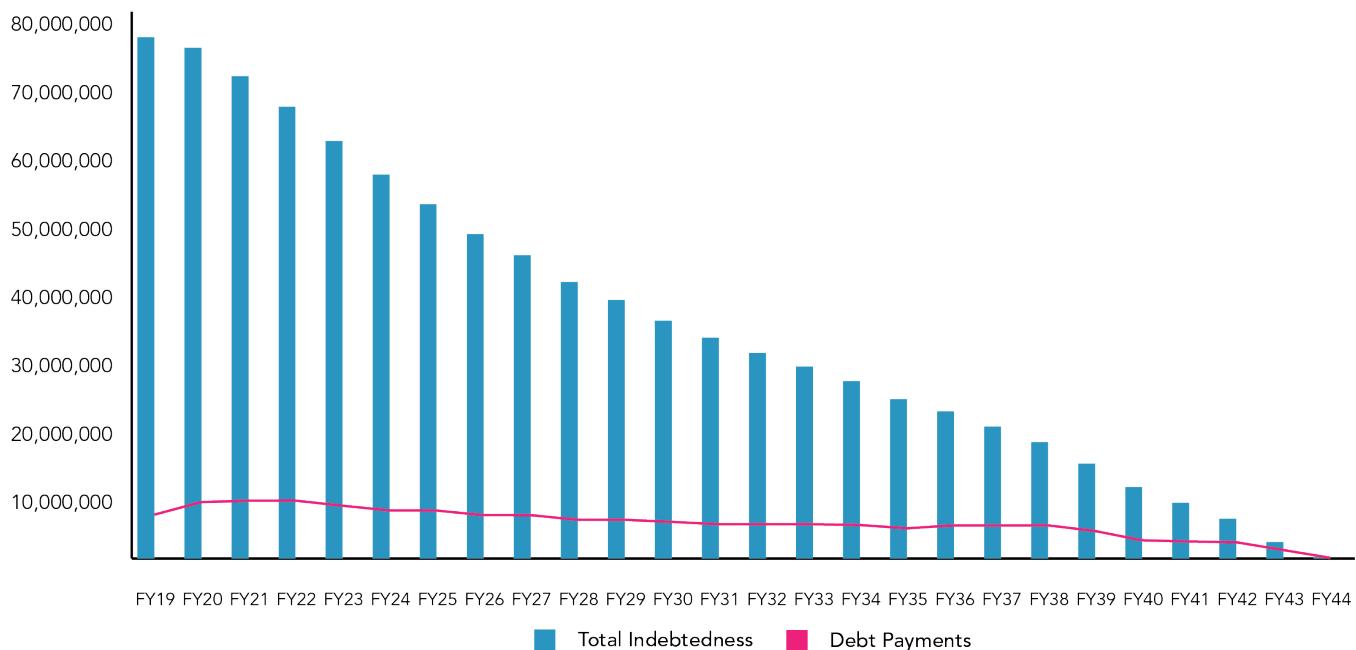
- **FY21** — OTC Business Park (114th & Giles)
- **FY22** — Cimarron Woods (96th & Harrison); Portal Ridge (100th & Giles); Andover Pointe (132nd & Chandler)

There are no planned annexations in FY 19 and FY 20. The forecasted budget for FY21 is based on the annexation of Oriental Trading Company Business Park and the FY22 annexations include Cimarron Woods, Portal Ridge and Andover Pointe.

DEBT

The City's current bonded indebtedness is \$45.6 million, with annual payments of approximately \$5.9 million. Prior to the end of FY18, it is anticipated that the City will issue debt of \$5.0 million to facilitate the construction of Off-Street Parking District No. 2, Garage #1. Additional debt of \$25.9 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 \$76.5 million. Annual debt service payments are estimated to be \$8.5 million

TOTAL DEBT PAYMENTS VS
DEBT SERVICE PAYMENTS



REVENUE & EXPENDITURES – ALL FUNDS

EXHIBIT 1.02

	FY17 Actuals	FY18 Budget	FY18 Year-End Estimated	FY19 Proposed Budget	FY20 Proposed Budget	FY21 Projected Budget	FY22 Projected Budget	FY23 Projected Budget
REVENUE								
General	15,013,477	16,914,117	16,923,764	18,411,114	18,993,030	19,812,234	21,901,065	23,213,247
Sewer	3,829,358	4,243,469	4,126,584	4,526,714	4,909,792	5,149,307	5,401,761	5,667,882
Debt Service	4,487,891	5,496,931	5,332,834	4,241,469	4,459,844	4,550,601	5,083,896	5,558,609
Lottery	1,271,464	1,395,461	1,207,061	1,206,834	1,206,443	1,206,407	1,207,432	1,208,537
Golf	1,870	0	0	0	0	0	0	0
Economic Development	1,186,594	30,060	16,554,575	3,000,718	517	174	205	222
Off-Street Parking	74	514	21	7,014,076	5,960,776	495	5,960,212	115
Redevelopment	1,904,689	22,388,991	21,323,530	20,299,822	3,707,399	12,496,901	4,108,006	4,672,636
Police Academy	0	80,012	80,022	80,055	84,084	88,120	88,150	92,174
TIF - City Centre Phase 1A	0	0	0	0	541,612	541,612	541,612	541,612
TIF - City Centre Phase 1B	0	0	0	0	0	838,186	838,186	838,186
Sewer Reserve	0	0	2,195	5,198	8,937	5,934	2,410	5,976
Qualified Sinking Fund	0	0	0	125	250	250	250	250
TOTAL	27,695,417	50,549,555	65,550,586	58,786,125	39,872,684	44,690,221	45,133,185	41,799,446
EXPENDITURE								
General	14,761,308	17,633,989	16,390,671	18,412,951	19,197,015	19,755,184	20,819,855	20,900,542
Sewer	3,307,872	3,644,947	3,586,609	4,103,263	3,800,694	7,769,762	4,133,082	5,029,682
Debt Service	3,672,161	4,481,471	3,668,769	4,321,319	4,026,470	4,072,689	4,471,425	3,791,847
Lottery	583,222	692,994	541,049	812,238	765,703	658,611	623,969	648,238
Golf	4,847	0	0	0	0	0	0	0
Economic Development	1,996,241	16,425,000	17,851,976	3,134,559	345,897	341,376	346,153	347,083
Off-Street Parking	579,335	585,523	585,263	7,822,142	7,681,075	1,991,453	8,195,102	2,176,172
Redevelopment	394,888	1,025,825	12,351,832	9,296,557	6,658,348	13,210,081	12,344,863	5,775,750
Police Academy	0	91,728	91,418	95,104	98,596	102,218	105,999	109,943
TIF - City Centre Phase 1A	0	0	0	0	541,612	541,612	541,612	541,612
TIF - City Centre Phase 1B	0	0	0	0	0	838,186	838,186	838,186
Sewer Reserve	0	0	0	0	0	0	0	0
Qualified Sinking Fund	0	0	0	0	0	0	0	0
TOTAL	25,299,874	44,581,477	55,067,587	47,998,133	43,115,410	49,281,172	52,420,246	40,159,055

FY19 & FY20 BUDGET

Continuing the City's conservative fiscal approach and adhering to the strategic goals of the Mayor and City Council, the proposed budget is financially sound, maintains a strong reserve and is sufficiently flexible to adapt to uncertainties that may arise.

The City's \$48 million spending plan maintains a stable and predictable municipal tax rate with a high level of service that La Vista residents are accustomed to. As proposed, it represents a 7.7% increase from the FY18 budget for all funds. This is primarily a result of the anticipated funding associated with public infrastructure projects. The proposed budget also includes the revenues and expenditures necessary to maintain service levels and achieve progress in addressing the initiatives identified in the Strategic Plan. Greater budget detail can be found throughout the budget document.

The City's overall spending plan is summarized in Exhibit 1.02.

REVENUE CHANGES

As shown in Exhibit 1.03 below, the revenue budget for all funds in FY19 & FY20 totals \$58.8 million and \$39.9 million respectively. This represents an increase of 16.3% in FY19 and a 32.2% decrease in FY20. The revenue increase in the General Fund and decrease in the Debt Service Fund are primarily the result of re-balancing the property tax levy. Specifically it is recommended that the General Fund levy would go from .41 to .49 and the Debt Service Fund from .14 to .06. The total tax levy is recommended to stay the same. Other significant changes are related to the timing of capital projects.



PERCENT CHANGES IN REVENUE – ALL FUNDS

EXHIBIT 1.03

	FY18 Budget	FY19 Proposed Budget	Percent Change %	FY20 Proposed Budget	Percent Change %
General	16,914,117	18,411,114	9%	18,993,030	3%
Sewer	4,243,469	4,526,714	7%	4,909,792	8%
Debt Service	5,496,931	4,241,469	(23%)	4,459,844	5%
Lottery	1,395,461	1,206,834	(14%)	1,206,443	-
Economic Development	30,060	3,000,718	-	517	(100%)
Off-Street Parking	514	7,014,076	-	5,960,776	(15%)
Redevelopment	22,388,991	20,299,822	(9%)	3,707,399	(82%)
Police Academy	80,012	80,055	-	84,084	5%
TIF - City Centre Phase 1A	-	-	-	541,612	-
TIF - City Centre Phase 1B	-	-	-	-	-
*Sewer Reserve	-	5,198	-	8,937	72%
Qualified Sinking Fund	-	125	-	250	100%
TOTAL	50,549,555	58,786,125	16%	39,872,684	(32%)

*Sewer Reserve Revenue is Interest

EXPENDITURE CHANGES

The expenditure budget for all funds in FY19 & FY20 totals \$48 million, and \$43 million respectively. This is about an 8% increase for FY19 and a 10% decrease for FY20. Expenditures are driven primarily by personnel

costs and anticipated public infrastructure projects.

Exhibit 1.04 below shows the expenditure changes by fund. Exhibit 1.05 that follows breaks the expenditures down by category. A description of the significant expenditure categories and funding requests follows.

CHANGES IN EXPENDITURES ALL FUNDS

EXHIBIT 1.04

	FY18 Budget	FY19 Proposed Budget	Percent Change %	FY20 Proposed Budget	Percent Change %
General	17,633,989	18,412,951	4%	19,197,015	4%
Sewer	3,644,947	4,103,263	13%	3,800,694	(7%)
Debt Service	4,481,471	4,321,319	(4%)	4,026,470	(7%)
Lottery	692,994	812,238	17%	765,703	(6%)
Economic Development	16,425,000	3,134,559	(81%)	345,897	(89%)
Off-Street Parking	585,523	7,822,142	1236%	7,681,075	(2%)
Redevelopment	1,025,825	9,296,557	806%	6,658,348	(28%)
Police Academy	91,728	95,104	4%	98,596	4%
TIF - City Centre Phase 1A	0	0	0%	541,612	0%
TIF - City Centre Phase 1B	0	0	0%	0	0%
Sewer Reserve	0	0	0%	0	0%
Qualified Sinking Fund	0	0	0%	0	0%
TOTAL	44,581,477	47,998,133	8%	43,115,410	(10%)

EXPENDITURE BY CATEGORY – ALL FUNDS

EXHIBIT 1.05

	FY17 Actuals	FY18 Budget	FY18 Estimated Year-End	FY19 Proposed Budget	FY20 Proposed Budget	FY21 Projected Budget	FY22 Projected Budget	FY23 Projected Budget
Personnel Services	9,454,201	10,952,110	10,478,345	11,732,205	12,328,870	12,876,408	13,316,485	13,718,201
Commodities	402,380	567,755	519,557	575,507	571,862	584,832	581,708	593,630
Contract Services	7,226,464	8,308,625	8,169,523	9,146,120	9,044,469	9,194,396	9,443,256	9,816,767
Maintenance	446,553	632,151	731,448	820,871	879,214	828,959	1,306,670	1,345,743
Other Charges	6,965,482	23,104,614	34,634,934	10,870,560	9,884,515	11,011,881	11,923,332	11,170,267
Capital Outlay	804,794	1,016,222	533,780	1,087,055	784,636	771,653	774,882	564,447
Capital Improvement				13,765,815	9,621,844	14,013,043	15,073,913	2,950,000
TOTAL	25,299,874	44,581,477	55,067,587	47,998,133	43,115,410	49,281,172	52,420,246	40,159,055

PERSONNEL

Personnel costs represent the majority of the City's operating budget. The organization's payroll covers: 118 full-time employees, 26 part-time employees and 26 seasonal positions. The recommended FY19 & FY20 budget reflects pay adjustments for the first and second years of an anticipated five-year contract with the La Vista Fraternal Order of Police of 3.5% & 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 based on performance evaluations.

Exhibit 1.06 represents the City's staffing levels per 1,000 of population. Over the past 14 years, the population has increased 25% while the staff growth was less than 10% during the same time period.

CITY OF LA VISTA STAFF GROWTH		<i>EXHIBIT 1.06</i>	
Year	Population	Staffing Levels (FTE)	Staff Levels (Per 1,000 Population)
2004	14,622	103.25	7.06
2006	15,975	113.02	7.07
2008	16,626	129.46	7.79
2010	16,082	138.02	8.58
2012	17,350	139.8	8.06
2014	17,636	140.68	7.98
2016	18,336	141.07	7.69
2018	18,336	141.99	7.74

The organization continues to be challenged by the demand to plan for and provide high quality and efficient municipal services in a dynamic, rapidly changing community. As a result, the pressure for additional staff has reached a critical point and it is necessary to recommend additional staff. The FY19 budget recommends an increase of (7) full-time positions and (1) in FY20. Funding for these positions total \$552,906 and \$94,075, respectively.

The recommended positions were carefully reviewed and based on the following:

- Meeting public safety needs related to anticipated activity in City Centre and Civic Center Park, planned annexations and demand in other areas of the community.
- Anticipated retirements
- Current and anticipated workload



Staffing requests not being recommended at this time require additional information and analysis. In addition, there are still determinations that need to be made regarding the feasibility of contracting out some services vs. simply hiring additional staff.

Exhibit 1.07 and the narratives that follow summarize the proposed staffing changes and salary & benefit costs. (*A historical summary of the City's staffing evolution is included in the Appendix.*)

Financial Analyst — \$93,989 (FY19)

The Finance Department is not currently staffed to meet the strategic needs of the City. The addition of a Financial Analyst position will allow the Finance Department to provide higher quality analysis and more timely decision-making support. The September 30, 2017 audit report pointed out the current staffing deficiency and stated, *"The Finance Department does not have necessary staffing resources to comprehensively prepare and independently review government-wide and fund financial statements with complete disclosures in a time-frame required by State statutes."*

As the City advances into new ventures related to economic development, long-range financial planning, and new fee collections, the addition of a Financial Analyst would allow the Finance Director to focus on the big picture instead of the transactional detail.

The Financial Analyst would also work on the budget and year-round financial report preparation so that a detailed work and analysis is done well in advance to allow for sufficient management review and more strategic decisions to be made. Currently, these special projects are completed by the Administrative Services Director, when ideally; a Financial Analyst or the Finance Director would participate in these special projects, with the Administrative Services Director reviewing their work.

Assistant City Planner — \$71,940 (FY19)

The Planning Division of the Community Development Department is currently staffed by one full-time planner and a part-time intern. The workload associated with the 84th Street redevelopment related projects is demanding and with ongoing development in other parts of the community, it is extremely challenging to keep up. In addition, we will soon be undertaking annexation planning-related work. The intern position is helpful but it is limited to under 30 hours per week and it is typically staffed someone inexperienced in the planning field. The addition of a Planner I position is being requested to provide for someone with formal training in the planning field with previous experience to assist with planning related tasks.

PROPOSED PERSONNEL ADDITIONS

EXHIBIT 1.07

Position	Department / Division	Request	Current Range	Proposed Range
Financial Analyst	Finance	New Position – FY19	-	175
Assistant City Planner	Community Development	New Position – FY19	-	160
Librarian I	Library	Circulation Clerk II from PT to FT position – FY19	115	140
Police Officer (Patrol)	Police	New Position – FY19	-	423
Deputy City Engineer	PW Administration	New Position – FY19	-	205
Parks – Park Foreman	Parks	New Position – FY19	-	165
Streets – MW I	Streets	New Position – FY19	-	130
Sports Complex – Seasonal	Sports Complex	.85 FTE	Seasonal	Seasonal
Police Officer (Patrol)	Police	New Position – FY20	-	423
Streets – MW 1 – PT	Streets Operations	New Position – FY20	-	100

Librarian I — \$21,200 increase (FY19)

A library position to manage teen programming was previously requested and the need continues for a full-time person dedicated to the City's teen and tween programming. Currently, this is a part-time position, but there are so many opportunities that could be explored with a full-time staff member related to the Teen Advisory Board and Mayor's Youth Council, teen outreach (including schools), the MCC, PLVCS, and La Vista Public Library partnership. The person in this position would also develop new programming for ages 18-30, serve as point of contact for the Think, Make, Create Trailer, community reading projects like One Book, One La Vista, and developing additional, ongoing weekend programming.

(2) Police Officers (Patrol) — \$86,792 (FY19) & \$94,075 (FY20)

The Police department is requesting two additional officers as part of the biennial budget. Staff planning efforts have identified that (2) additional officers are necessary to meet the increased demand for service related to new development/redevelopment and increasing traffic. Specific areas of concern include: (1) Traffic services (planning coordination, execution), (2) Event management (threat assessment, staffing, execution) and (3) Everyday issues (current calls for service). Daytime population is also expected to be significantly higher than current levels. La Vista currently has eight of the top 20 busiest intersections in Sarpy County and traffic volume continues to increase.

To meet the additional needs, the Police Department is requesting to hire one sworn position in October 2018 (FY19) and move a current experienced officer to the Special Enforcement Bureau. The SEB would then consist of (1) Sergeant, (4) police officers and (2) K9 officers and would be responsible for traffic and event services. In FY20, one additional sworn police officer position is requested to handle Uniformed Police Bureau calls for service and activities.

Deputy City Engineer — \$120,580 (FY19)

The City Engineer has given notice of his intent to retire in October 2019. As a result, the advance notice provides a great opportunity to hire his replacement as Deputy City Engineer and have the Deputy work with him for one year prior to his retirement. This will allow someone to learn the ropes and develop an understanding of projects. The current workload and number of ongoing projects would make it very difficult to bring someone up to speed in a short time frame.

Park Foreman — \$77,700 (FY19)

It is anticipated that a dedicated crew will be necessary to maintain Civic Center Park, Central Park and the 84th Street Corridor. An additional Park Foreman position will alleviate the burden on the current Park Foreman who currently has eight full-time and six seasonal direct reports. It is anticipated that the position would be filled in February 2019.

Maintenance Worker FT (Streets) — \$58,246 (FY19)

An additional Street Maintenance Worker is being requested to assist with signal, sign and pavement marking tasks. It is necessary that we get an additional employee trained on the signal system to serve as a back-up. The additional employee will also allow an employee to be dedicated to the City Centre area and 84th Street corridor for snow removal operations.

Sports Complex Seasonal — \$22,500 (FY19)

A request has been made to add .85 FTE seasonal hours to the Sports Complex Division. A full-time position assigned to the Sports Complex is being reassigned to the Park Division in FY19. It has been determined that seasonal employees can handle the workload at the complex and the full-time position is more beneficial in the Park Division.

Maintenance Worker I PT (Streets) — \$17,240 (FY20)

Currently there are two part-time positions in the Street Division. The additional part-time position will assist with maintenance and cleaning of the new parking structures. As the road system and other infrastructure continues to age, crews require additional assistance. The position will also assist with snow removal operations and special events.

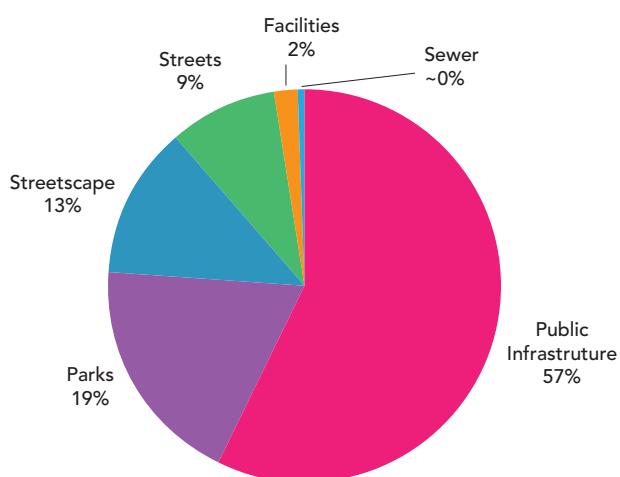
CAPITAL IMPROVEMENT BUDGET PRIORITIES

The Capital Improvement Program (CIP) — 5 Year Plan is a multi-year plan designed to prioritize and plan the City's large capital projects in a fiscally responsible manner. The proposed Biennial Budget includes funding recommendations for years one and two (FYs19 & 20) of the CIP.

Capital improvement projects have traditionally been budgeted in the Capital Improvement Fund. All revenue or bond proceeds were deposited in the Debt Service Fund and then transferred to the CIP when the project incurred expenses. In order to reduce the number of transfers and more clearly identify the fund balance, staff is recommending that a capital improvement project be budgeted in the fund it is directly associated with. Specifically, both revenue and expenditures associated with the project will be recorded in the fund they are related to. Projects not associated with a particular fund will be identified in the Capital Improvement Fund budget.

Staff continues to review and refine long-term capital needs with emphasis on maintaining and improving public infrastructure and investing in capital projects that align with the priorities in the Strategic Plan. As a result, the CIP includes a number of carryover projects along with several new projects planned in FY19 & FY20 totalling nearly \$34 million in investments in the City's streets, roads, parks and facilities. Categories of expenditures are highlighted in the following chart.

**\$34M CIP EXPENDITURES BY CATEGORY
FY19 & FY20**



OTHER EXPENDITURES

Consistent with the Strategic Plan, the FY19 and FY20 Biennial Budget includes funding for several plan objectives. Departments have identified those in their respective budgets. Noted below are some of the more significant city-wide initiatives.

Mini Park Plan Improvements — \$50,000 (FY19); \$50,000 (FY20)

As part of the annual CIP process the internal Park Planning work group identifies priorities and makes recommendations for potential projects. In FY19, improvements are recommended to include the construction of an overlook, new playground equipment, and landscaping and accessories in the Eberle-Walden Park on South 69th Street. Signage improvements in all parks is recommended in FY20 to coincide with the the City's marketing and brand development.

Marketing & Branding Strategy — \$75,000 (FY19); \$50,000 (FY20)

La Vista has emerged from a residential housing subdivision to become one of the fastest growing, most dynamic communities in the State. Given the current energy and excitement in the City, there is a significant opportunity to work with community partners to identify and build a brand that will set La Vista apart from other cities in the region. Developing an associated marketing strategy will provide guidance to ensure that the brand and stategic marketing objectives are implemented consistently over time.

60th Anniversary Celebration — \$30,000 (FY19); \$50,000 (FY20)

The City of La Vista will celebrate its 60th Anniversary as a City on February 23, 2020. Despite the fact that La Vista is the youngest city in the State, the City has experienced remarkable growth and change over the course of its short history and has much to tout and celebrate. During the City's year-long 50th Anniversary celebration, several events were initiated that continue today. The 60th Anniversary is yet another milestone that should be adequately commemorated. It is anticipated that enhancements can be made to existing events, with a couple of surprises throughout the year. Funding is being requested for planning and execution.

National Citizen Survey — \$17,000 (FY19)

The National Citizen Survey (NCS) benchmarking and community survey provides a comprehensive and accurate picture of the quality and resident perspectives about local government services, policies and management. The City participated in the NCS in 2008, 2013 and 2016. It is preferable to get the survey on a cycle to be utilized in conjunction with the strategic plan development process. The survey would be launched late summer 2019 and Council would work on updating the Strategic Plan in early 2020.

City Hall Facility Improvements — \$100,000 (FY19); \$150,000 (FY20)

Designed and built in the early 1990's, the City Hall building design did not anticipate or plan for future growth. The 2009 Municipal Facilities Plan identified several space deficiencies for staff, storage and equipment. As the City's workplace dynamics continue to evolve, all of the short-term solutions have been exhausted and improvements are necessary. The Community Center also experiences many similar challenges that need to be addressed. It is anticipated that results of the Community Interest Survey will provide guidance on this. The campus site plan is equally important as it relates to the redevelopment of the 84th Street Corridor and creating memorable public spaces. Funding is requested to update the City Hall building space program and procure professional architectural services necessary to develop a plan for City Hall improvements, possible Community Center improvements and overall Campus Master Site Plan.

Year-End Report to Citizens — \$10,200 (FY20)

Accountability and transparency strengthen people's trust in government and citizens like to be informed regarding the amount of taxes collected and how the taxes they pay are spent. A year-end report to the citizens will be based on data obtained through our performance measurements and presented in a way that the citizens will understand the services we provide.

Community Event Guide — \$22,000 (FY20)

The City provides numerous programs, activities, and large scale events throughout the year for citizens of all ages. Past citizen surveys have indicated that residents are not aware of many of the opportunities available to them. As a result, it has been an ongoing goal to improve the City's outreach efforts to better connect with residents and increase their awareness of all that the City has to offer. The intent is to do two

publications annually. A Spring/Summer and Fall/Winter. (The first one would be funded in FY20).

BUDGET FORMAT

For the past several years, the City's budget document and process have continued to evolve. While this budget document has a very different visual appearance than our prior budgets, the content is much the same, albeit organized a little differently. For example, in the General Fund, instead of organizing the department budgets by their number, they are organized by function area. The transition to a new budget format has not been without challenges, but our staff has put forth considerable effort to ensure that the information is relevant and presented in an informative and useful manner. We would like to thank the City of Menlo Park for allowing us to use their budget document template and welcome your feedback as we continue to improve.

CONCLUSION

The proposed 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.

Moving into the next biennium, the combination of the City's strong financial position with our experienced staff allows us to plan an ambitious number of projects. In addition to funding key projects, time and resources are also dedicated to measuring progress based on achieving goals and objectives.

We remain committed to preserving the City's solid financial position by maintaining strong fund balances and reserves, carefully managing operations, maintaining current programs, aligning financial investments to Council goals and making decisions within the context of our long-range financial forecast.

La Vista has much to be proud of and many exciting things ahead. There is however, little doubt that we will continue to face challenges resulting from fast 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.

As the City continues to grow, we must remain focused on our 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 document. I also wish to thank the Executive Budget Team members: Finance Director Cindy Miserez, Administrative Services Director Kevin Pokorny, City Clerk Pam Buethe, 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



A photograph of two young girls with face paint. The girl on the left has freckles and blue and pink butterfly-like designs on her forehead and cheek. The girl on the right has an orange and black tiger face design. They are both smiling and wearing tank tops.

CITY OVERVIEW

City profile

THE COMMUNITY

Located on the northern edge of Sarpy County, in the Greater Omaha Combined Statistical Area (CSA), La Vista is the "youngest" city in the State of Nebraska, incorporated in 1960. From modest beginnings as a subdivision of 335 homes platted on 80 acres of land and a population of 1,360, La Vista has grown to become a dynamic and progressive community of over 18,000 and one of the fastest growing cities in Nebraska. La Vista is bordered by the cities of Omaha and Ralston on the north, Papillion on the south, Bellevue on the east and by Interstate 80 on the west.

La Vista is a friendly community, offering both the advantages of a small town and the opportunities of a large city. Its inviting neighborhoods feature well-kept homes abutting tree-lined streets, and its commercial and industrial districts are undergoing impressive development and redevelopment. City leaders and citizens have a progressive vision for La Vista that started with its incorporation over 58 years ago. La Vista offers an exceptional quality of life in a great suburban environment. The people who live and work in La Vista are truly proud of their community.

The community embraces a forward-thinking plan for future growth and is able to attract and retain diverse businesses and highly skilled residents as a result of the City's solid infrastructure and convenient location. It has become home to a number of market leading businesses because of its location and the commitment of its elected officials to envision the City's future in partnership with its corporate citizens.

La Vista's corporate community includes Yahoo!, PayPal, Streck Laboratories, Oriental Trading Co., Cabela's, Inc., Costco, Rotella's and Securities America, among many others. Southport, La Vista's commercial development located near an Interstate 80 Interchange on the western edge of the City, features the Embassy Suites Hotel and Conference Center, a Courtyard by Marriott, a Hampton Inn & Suites, and a Comfort Suites, in addition to a growing compliment of retail and office users.

The City of La Vista and the La Vista Community Development Agency are currently working together on a major redevelopment effort along the 84th Street corridor in the heart of the City. Phase I of the project, being constructed by a private developer and known as City Centre, will create a vibrant mixed-use district that

is soon to become the new central core for La Vista. Other improvements underway include the transformation of a former golf course into a regional recreation area that encompasses a large lake and other amenities, along with a new streetscape and bicycle and pedestrian improvements.

La Vista's diverse and high quality housing stock provides a wide range of residential options. With 17 parks, a premier 62-acre sports complex, swimming pool, community center, youth and senior recreational programs, and an outstanding public library, leisure time opportunities abound.

Elementary and secondary education is provided through the Papillion/La Vista School District, the fourth largest in the State, and the Omaha Catholic Archdiocese, which operates schools in adjoining Ralston and Papillion. Pre-kindergarten education is available through the private Primrose Academy and the La Vista Montessori School.

La Vista residents enjoy exceptional higher education opportunities as well. The University of Nebraska at Omaha (UNO), Creighton University and Bellevue University are easily accessible. The University of Nebraska at Lincoln is only 45 minutes away. Metro Community College's Sarpy Center is located in La Vista.

The overall quality of life in the City of La Vista was rated as "excellent" or "good" by 91 percent of respondents to the 2016 National Citizen Survey. Eighty percent of respondents reported that they plan to remain in La Vista for the next five years.

City profile

LA VISTA CITY GOVERNMENT

The City of La Vista operates under the Mayor-Council form of government. The Mayor is elected at large to a four-year term and eight City Council members are elected from four dual-member wards to staggered four-year terms. The Mayor, with confirmation from the City Council, appoints a professional City Administrator and certain other officials as provided in the La Vista Municipal Code.

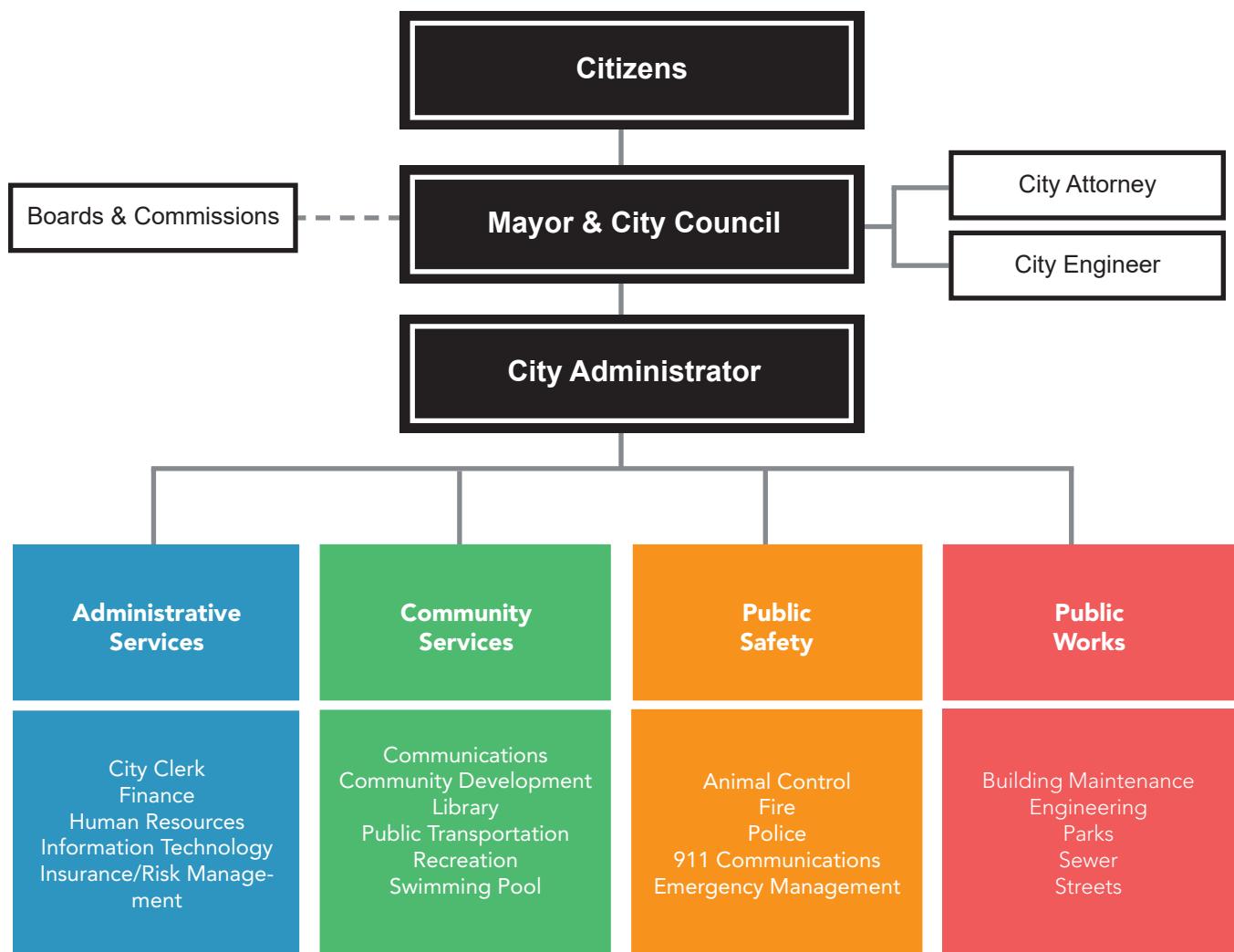
The City Administrator manages the day-to-day operations of the City. A reorganization completed in 2014 streamlined the City organization, grouping departments under four senior directors, who

have responsibility for Public Safety, Public Works, Community Services, and Administrative Services.

The elected and appointed leadership is long-tenured and experienced. The current Mayor has served since 2006 and has previous experience as a member of the City Council and on appointed advisory boards. The average tenure of the current members of the City Council, many of whom also have previous board and commission experience, is 15 years, with three members having served in excess of 20 years. The City Administrator joined the City as Assistant City Administrator in 1997 and was appointed to the City Administrator position in 2006. The senior directors also are all long-term members of the La Vista City staff.



Organizational chart



Mission, Vision, Values



MISSION, VISION, VALUES

Mission	The City of La Vista is dedicated to providing exceptional municipal services with the highest level of integrity, professionalism and excellence.
Vision	La Vista's vision is to be a place where community isn't just a word, but a way of life; where strong leadership and diverse economic base have built a great city; where passion and pride will ensure a bright future. The vision for La Vista is based on how we experience the City every day; a place where it is possible to Live Long, Work Hard, Shop Local, Have Fun, Move About and Prosper.
Values	<p>Accountability We will be responsible for our decisions and actions as stewards of the financial, informational, physical, environmental and human resources entrusted to us.</p> <p>Integrity We will maintain high ethical standards in our personal and professional conduct.</p> <p>Public Service We are committed to provide high quality public services to the citizens through communication, teamwork, professionalism, dedication to duty, courtesy and respect.</p>

Budget Process

FY19 & FY20 BUDGET PREPARATION PROCESS

The FY19 & FY20 biennial budget marks the City's second biennial budget document. Before fiscal year FY17 & FY18, the City budgeted on an annual basis. While this can be a great way to present budget information, from a practical perspective, it requires much planning and forecasting for a two-year period. The City Council held its annual Council retreat in February, which provided additional direction on priorities for additions to the biennial budget. The development of the biennial budget began March 2018 with departments updating revenue and expenditure estimates for the current year, as well as developing next biennial budget proposals. Initial direction to the departments was to develop a baseline budget, with any requests for service enhancements not to exceed 1%.

Development of departmental operating budgets continued into March and April, while the Finance Department worked to prepare preliminary revenue estimates. With preliminary revenue estimates developed and base operating budgets entered into the budget system, reviews with the department commenced in later April and focused on: identifying department-initiated requests for service-level enhancements and quantifying increases required to support the Strategic Plan 2018 - 2020. Revenue projections, particularly those related to the City's most significant revenue sources, continued to be updated and refined as more information became available.

As the numbers were finalized, attention was then turned toward the design and creation of the budget document. While this is a new document format, attention was paid to refining the content and continuing to implement the new design.

The City's financial information is organized by fund, with each fund being a separate and distinct entity. There are three types of funds: governmental, proprietary and fiduciary. The General Fund, which is a governmental fund, is the City's main fund that accounts for the vast majority of the City's operations, including but not limited to: police services, recreation, planning, building inspection, library, engineering, parks maintenance, street maintenance and general administration. Other types of governmental funds include special revenue funds and capital projects funds, which, unlike the General Fund, account for specific revenues and are used for specific purposes.

Proprietary funds are used to account for the City's activities that are financed and operated in a manner similar to private business enterprises and include enterprise funds (Sewer and Storm Water operations). The City's fiduciary funds are agency funds that are used to account for certain assets held on behalf of others, and the City's role in these funds is strictly custodial in nature: Tax Increment Financing Fund, Police Academy Fund. More information on the City's various funds can be found in the Budget Summary and Discussion section of this document.

Basis of budgeting refers to the method used to recognize revenues and expenditures in the budget, and in La Vista, the basis of budgeting is the same as the basis for accounting. For governmental and fiduciary funds, the modified accrual basis is followed. Under the modified accrual basis, revenues are recognized only when they become susceptible to accrual, which means when they become both measurable and available. Revenue is measurable when the amount of the transaction can be determined, and it is available when it is collectible in a manner that allows it to be used to pay for liabilities in the current period. Governments normally define an availability period for revenue recognition, and the City considers revenues related to a particular fiscal year available if they are collected within 60 days after that fiscal year's end. Sixty days is a common revenue recognition period. Expenditures are typically recorded when the liability is incurred, with the exception of debt service expenditures. Debt service expenditures are recorded when payment is due.

The accrual basis is used for the proprietary funds, which includes the enterprise funds. Under the accrual basis, revenues are recognized when they are earned, and expenses are recognized when the related liability is incurred.

BIENNIAL BUDGET CALENDAR

Like any complex organization with a biennial budget, the process to develop and produce the budget is ongoing. As can be seen by the detail in the budget calendar, work to prepare the Biennial Budget began in October 2017, and will continue throughout the budget cycle.

Budget Process

FY19/FY20 BIENNIAL BUDGET PREPARATION PROCESS

2017	2018	2019
October		
Year-end processing	Year-end Processing	Year-end Processing
CIP Project Closeouts	CIP Project Closeouts	CIP Project Closeouts for Audit
Complete Amended Budget Document	Complete Budget Document	Complete Budget Document
Prepare Depart Template/GFOA doc.		
November		
CIP project form distribution (DPT)		CIP project form distribution
December		
Budget planning meeting		Budget Planning Meeting
CIP project submittals (DPT)		
CIP revenue projections (EBT)		
Preliminary Revenue Analysis		
January		
	Managing Director's budget expectations	City council CIP priority review
	Prepare 1 & 6 Year Road Plan	CIP project status review
	CIP prioritization review (EBT)	Preparation of 1 & 6 Year Road Plan
February		
	Council retreat (budget priorities)	Council retreat (planning)
	1 & 6 to Planning Commission	1 & 6 to Planning Commission
	1 & 6 to City Council	1 & 6 to City Council
March		
	1 & 6 submitted to State (FY18)	1 & 6 submitted to State (FY19)
	Finance training on budget modules & budget principles (DPT)	
	Budget assumptions and launch (DPT)	
	Revenue analysis (Final)	
	Prepare Pay Matrix for Council	
April		
	Establish salary and benefit base	YEE's & proposed Y2 budget amends due to Finance (DPT)
	Budgets due to Finance (DPT)	EBT review of revenue projections
	Department briefings for BPT	Update salary & benefit information
	Initial budget draft to EBT	
	Begin expenditure analysis	

Budget Process

FY19/FY20 BIENNIAL BUDGET PREPARATION PROCESS

2017	2018	2019
May		
	Budget analyses (BPT)	Prepare amended Y2 budget
	Department narratives due (DPT)	Draft for department review
	Budget draft department review)	Prepare Pay Matrix for Council
June		
	Budget meeting with mayor	Preliminary valuations (June 20)
	Preliminary valuations (June 20)	Finalize revised Y2 budget for Council Workshop (June 30)
	Finalize budget analysis (June 1)	CIP carryover update
	CIP carryover updates	
	Budget Workshop binder completed (June 30)	
July		
	Budget draft to M&C	Y2 amended budget recommendation to Council
	Budget presentation preparation (DPT)	Amended Y2 budget presentation preparation
	City Council Budget Workshop (DPT)	City Council budget workshop (DPT)
	CIP to Planning Commission	CIP to Planning Commission
August		
	Material CIP carryover changes	Material CIP carryover changes
	City Council 1st reading	City Council 1st reading
	City Council - Public Hearing & 2nd reading	City Council - Public Hearing & 2nd reading
	Final Valuation (August 20)	Final Valuation (August 20)
	Budget debrief	Budget debrief
September		
	City Council 3rd reading	City Council 3rd reading
	Final budget submitted to State (September 20)	Final budget submitted to state (September 20)
	Begin Budget Document Prep.	Begin amended Budget Document Prep.