

LOTTERY FUND



Lottery Fund Summary

On May 16, 1989, the City awarded the first contract to begin the operation of a municipal keno-type lottery. Since that time the Mayor and City Council have conscientiously utilized the community betterment proceeds from the City's keno lottery game to improve public services, quality of life amenities and facilities in the City.

Lottery revenue has been used to finance the construction of several public buildings including: City Hall and Community Center (1994), Public Works Building (1994), Public Library (1999), Police Station (2002) and the Fire Station 1 (2006).

In addition, community and recreation events including the Salute to Summer Festival, Easter Egg Hunt, Arbor Day Celebration, Taste of La Vista, National Night Out, Halloween Safe Night, Tree Lighting, Dinosaur Egg Hunt, Splash Bash, and Urban Adventure Race are funded with community betterment proceeds.

FY18 FINANCIAL PERFORMANCE

Revenues from lottery are estimated to total approximately \$1,207,061, which is slightly less (\$64,403) than revenues received in FY17. The year-end estimate is an approximate 13.5% decrease over the budgeted amount of \$1.4 million.

A significant portion of the lottery revenue is the community betterment proceeds. The FY18 budget is \$1 million, however the FY18 year-end estimate is only \$850,000. This decrease in revenue is attributed to a provision in the Lottery Operator Agreement that allows the Operator to recoup any deficiency in the Operator's guaranteed compensation (12.25%) "to the extent and from the amount that the City's Net Payout during such month exceeds the City's Guaranteed Net Payout for the month", which is 7%. Consequently, the Operator can continue to make up their deficiency from any payout that exceeds the City's 7% until the Operator is made whole for the life of the contract.

Expenditures & Capital for FY18 are projected to be nearly \$688,763, which is approximately 35.3% (\$376,500) less than the budgeted amount of \$1,065,263. The decrease can primarily be attributed to \$223,426 less in transfers out to CIP.

Fund Balance — The ending fund balance for FY18 is estimated at \$3.4 million. This is an increase of \$518,335 over the FY17 fund balance of \$2.8 million.

LOTTERY FUND BUDGET SUMMARY

	FY17 Actuals	FY18 Budget	FY18 Estimated Year-End	FY19 Proposed Budget	FY20 Proposed Budget	FY21 Projected Budget	FY22 Projected Budget	FY23 Projected Budget
Beginning Fund Balance	2,241,161	2,847,982	2,847,982	3,366,280	3,414,974	3,283,392	3,513,349	3,767,097
Operating								
Revenue	1,271,464	1,395,461	1,207,061	1,206,834	1,206,443	1,206,407	1,207,432	1,208,537
Expenditures	583,222	692,994	541,049	812,238	765,703	658,611	623,969	648,238
Surplus/(deficit)	688,242	702,467	666,012	394,596	440,740	547,796	583,463	560,299
Non-Operating								
Transfers-In	223,135	-	-	-	-	-	-	-
Transfers-Out	(304,556)	(372,269)	(147,714)	(345,902)	(572,322)	(317,839)	(329,715)	(336,024)
Surplus/(deficit)	(81,421)	(372,269)	(147,714)	(345,902)	(572,322)	(317,839)	(329,715)	(336,024)
Net Revenue	606,821	330,198	518,298	48,694	(131,582)	229,957	253,748	224,275
ENDING FUND BALANCE	2,847,982	3,178,180	3,366,280	3,414,974	3,283,392	3,513,349	3,767,097	3,991,372

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FY19 & FY20 BUDGET

No significant increase of revenue is projected for the FY19 and FY20 Biennial Budget or for the forecasted years. The recommended FY19 & FY20 Biennial Budget proposes funding for a number of projects and events that support the objectives outlined in the Strategic Plan. One of the priorities identified in the Strategic Plan is Quality of Life and Community Identity. The Community betterment funds generated by the City's keno lottery game provide much of the funding necessary for the community programs and events that enhance the quality of life for residents of all ages. In addition, funding is also included for several other initiatives that support Strategic Plan objectives including:

- Mini Park Improvements – \$50,000 (FY19 & 20)
- Creation of a Comprehensive Marketing & Brand Strategy – \$75,000 (FY19); \$50,000 (FY20)
- City Anniversary Celebration – \$30,000 Planning (FY19); \$50,000 (FY20)
- Year-End Report to Citizens – \$10,200 (FY20)
- National Citizen Survey – \$17,000 (FY19)
- Updating the Strategic Technology Plan – \$75,000 (FY19)
- Develop an IT Business Continuity Plan – \$50,000

LOTTERY FUND REVENUE DETAIL

	FY17 Actuals	FY18 Budget	FY18 Estimated Year-End	FY19 Proposed Budget	FY20 Proposed Budget	FY21 Projected Budget	FY22 Projected Budget	FY23 Projected Budget
Community Betterment	880,226	1,000,000	850,000	850,000	850,000	850,000	850,000	850,000
Interest Income	7,142	9,761	15,497	16,834	16,443	16,407	17,432	18,537
Taxes - Form 51	351,358	360,000	340,000	340,000	340,000	340,000	340,000	340,000
Bond Proceeds	0	0	0	0	0	0	0	0
Miscellaneous	32,738	25,700	1,564	0	0	0	0	0
TOTAL REVENUE	1,271,464	1,395,461	1,207,061	1,206,834	1,206,443	1,206,407	1,207,432	1,208,537

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LOTTERY FUND BUDGETED EXPENDITURES (EXCLUDING TRANSFERS)

PROJECT TITLE	FY19	FY20
Citizen Survey	17,000	-
City Wide Marketing/Branding	75,000	50,000
Holiday Lights	50,000	50,000
Music License	1,080	1,080
Economic Development Consulting	25,000	15,000
Other Consulting	25,000	25,000
Performance Measurement Program	13,820	13,465
Year-End Report to Residents	-	10,200
Banners	5,000	5,000
Employee Activities	1,000	1,000
Employee Recognition	5,000	5,000
Business Continuity Plan	-	50,000
I.T. Strategic Plan Update	75,000	-
Events Marketing	12,263	9,747
Salute to Summer Marketing	19,405	19,987
Concert & Movie Nights	10,821	11,145
Splash Bash	1,431	1,474
Urban Race	5,463	5,627
New Event	3,076	3,168
Easter Egg Hunt	3,076	3,168
Arbor Day	530	546
Dinosaur Egg Hunt	212	218
Taste of La Vista	8,168	8,414
New Events	530	546
Halloween Safe Night	1,166	1,202
Tree Lighting/Chili Feed	2,758	2,841
Hometown Heroes	1,891	1,947
Miscellaneous	3,060	3,092
City Anniversary Celebration	30,000	50,000

PROJECT TITLE	FY19	FY20
Salute to Summer Festival		
Pool Party	525	541
Hot Wheels Races	420	432
Car Show	1,996	2,056
Float	515	531
Carnival & Vendors	6,723	6,925
Parade	3,757	3,870
Community Cookout	9,560	9,847
Mayor's Lunch	2,836	2,921
Insurance	1,575	1,623
STS - Tennis Court Rentals	2,836	3,000
Keno License	-	100
Professional Services-Audit	24,745	24,990
Professional Services-Legal	110,000	10,000
Other Charges	350,000	350,000
TOTAL	812,238	765,703