

**CITY OF LA VISTA
MAYOR AND CITY COUNCIL REPORT
SEPTEMBER 7, 2021 AGENDA**

Subject:	Type:	Submitted By:
FISCAL YEAR 22 RESTRICTED FUNDS BASE	◆ RESOLUTION ORDINANCE RECEIVE/FILE	CINDY MISEREZ FINANCE DIRECTOR

SYNOPSIS

A public hearing has been scheduled to consider a resolution to increase the FY22 budget restricted funds base by an additional one percent as allowed by the provisions of State Statute Section 13-519(2) upon the affirmative vote of at least seventy-five percent of the governing body.

FISCAL IMPACT

Approval of the additional one (1.0%) percent increase in the restricted funds base equates to \$136,090. Although it may never be utilized or needed as taxing authority, the annual increase of the one percent builds the authority for unforeseen events in the future. This request is made to ensure the maximum flexibility in the future should the need arise to use the authority.

RECOMMENDATION

Approval.

BACKGROUND

In 1998, in accordance with State Statute Section 13-519, a restricted funds base was established for the City of La Vista acting as a limit to taxing authority. A 2.5% growth factor is added to the base each year and allowable growth per the assessor exceeding 2.5% annually is added to the base in the first year of each biennial budget for the current and prior budget years.

For municipalities, restricted funds in the budget are property taxes, payments in lieu of property tax, motor vehicle tax, and all types of state aid including highway allocations, motor vehicle fees and municipal equalization aid. The budgeted restricted funds less lid exceptions for interlocal agreements, debt service payments and capital construction must be less than the restricted funds base for that budget year. Budgeted restricted funds must be reduced through a tax rate decrease if the restricted funds base is exceeded.

For the City of La Vista, with the 2.5% growth and the additional one percent, the restricted fund base would be \$14,085,278. The FY22 budgeted restricted funds is \$22,616,971. After lid exceptions of \$13,459,149 for capital improvements, debt service and interlocal agreements, the total budgeted restricted funds for lid computation are \$9,157,822. Comparing this amount to the restricted funds base, the unused restricted funds for the FY22 budget are \$4,927,456. The base balance of \$14,085,278 carries over to the subsequent fiscal year and growth factors are once again applied.

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF LA VISTA, NEBRASKA, TO INCREASE THE BASE OF RESTRICTED FUNDS AUTHORITY IN THE FISCAL YEAR 2022 MUNICIPAL BUDGET BY AN ADDITIONAL ONE PERCENT.

WHEREAS, the Mayor and City Council, after notice and public hearing as required by state statute, approved the Fiscal Year 2022 municipal budget on September 7, 2021; and

WHEREAS, the unused restricted funds authority was included in the notice of budget hearing; and

WHEREAS, an increase in the base of restricted funds authority by an additional one percent in the Fiscal Year 2022 municipal budget is allowed following the approval of at least 75% of the governing body.

NOW, THEREFORE BE IT RESOLVED, that the Mayor and City Council of the City of La Vista, Nebraska, do hereby authorize an increase in the base of restricted funds authority in the Fiscal Year 2022 municipal budget by an additional one percent.

PASSED AND APPROVED THIS 7TH DAY OF SEPTEMBER 2021.

CITY OF LA VISTA

Douglas Kindig, Mayor

ATTEST:

Pamela A. Buethe, CMC
City Clerk