

# Long-Range Financial Planning

January 18, 2022



# Long-Range Financial Planning

## Purpose

- Encourage discussion and inspire a long-range perspective for decision-makers.
- Serve as a tool to prevent financial challenges.
- Stimulate long-term and strategic thinking.
- Can provide consensus on long-term financial direction.
- Useful for communications with internal and external stakeholders.

# Not a Budget



Projection of financial trends & outcomes



Statement of expected revenues & expenditures

# Caveats

- Single Point in Time
- Things Change
- Asset Planning Work (*facilities, equipment, etc.*)
- Risk Factors

# La Vista's Long-Range Focus

- Strategic Planning
- Biennial Budget (with multi-year projections)
- Long-Range Financial Planning

# Approach

## Modest Assumptions

- Conservative revenue projections
- Moderate expenditure projections & timing
- Does not factor in all anticipated opportunities (ex. new hotels, indirect revenue from new projects)

# Approach

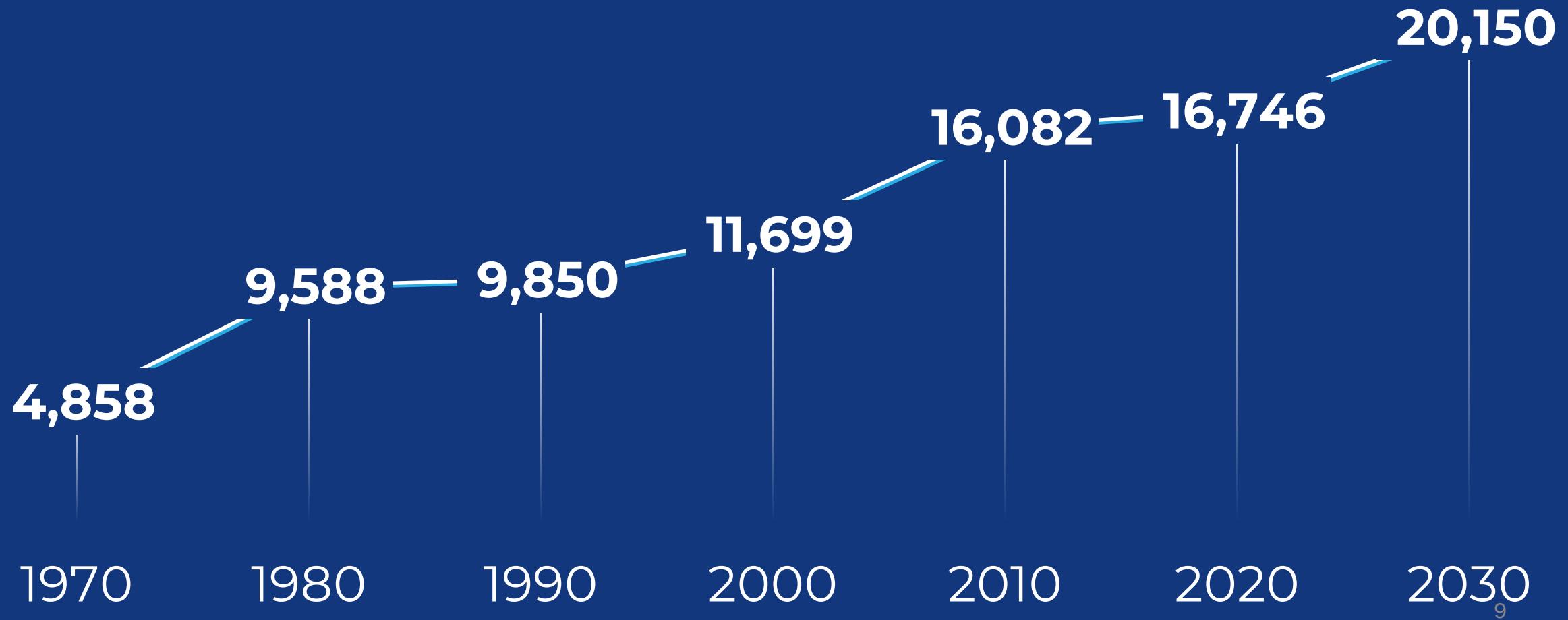
## Current Situation

- Current operations & maintenance costs
- O & M associated with new public infrastructure & projects
- Existing debt obligations
- Existing contractual obligations
- 3 of Top 10 Busiest Intersections in Sarpy County
- Anticipated 20% population growth during forecast period
- 500,000+ additional annual visitors (FY24 & beyond)

# Growth Assumptions

- State-of-the-Art Indoor/Outdoor Specialty Performance Venue
- Premier Destination Sports Complex
- Population Estimates at Buildout
  - ❖ City Centre 797
  - ❖ Portal Ridge 655
  - ❖ Cimarron Woods 1,942

# POPULATION GROWTH 1970 - 2030



# Considerations

- July 2025 sunset of ½ Cent Sales Tax to fund street improvements and other capital expenditures
- Restaurant Tax review

# Forecast Background

## Baseline

**½ cent sales tax sunset – June 2025**

**Restaurant tax rate adjusted to maintain \$700k annually**

**Repayment of EDP loan**

**Operational Impact - City Centre, Astro, & NMSC**

**Remove Capital Improvement Program in FY23-26**

## Modified Baseline

- Personal property tax exemption reinstated in FY23
- Annexation – Portal Ridge (SID 276) Net Impact
- Annexation – Cimarron Woods (SID 237) Net Impact

# Forecast Background

## Modified Baseline

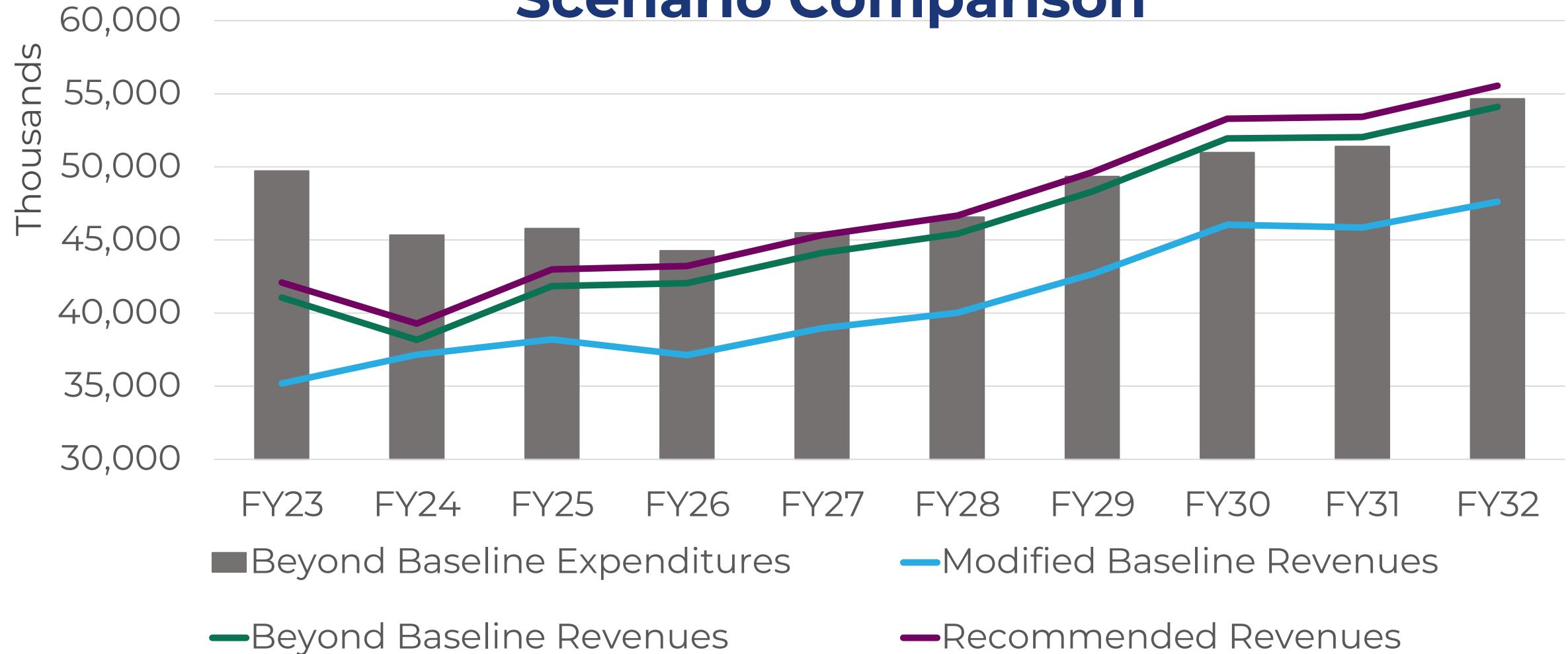
## Beyond Baseline

- Reallocate .01 property tax levy from DSF to GF
- Voter approval to continue ½ cent sales tax
- Voter approval of unrestricted restaurant tax at 1.5%
- Event parking fee adjustment
- Restore FY23-26 CIP

## Recommended

- Restore property tax to .55 (1-cent) to DSF
- Voter approval of unrestricted restaurant tax at 2.5%

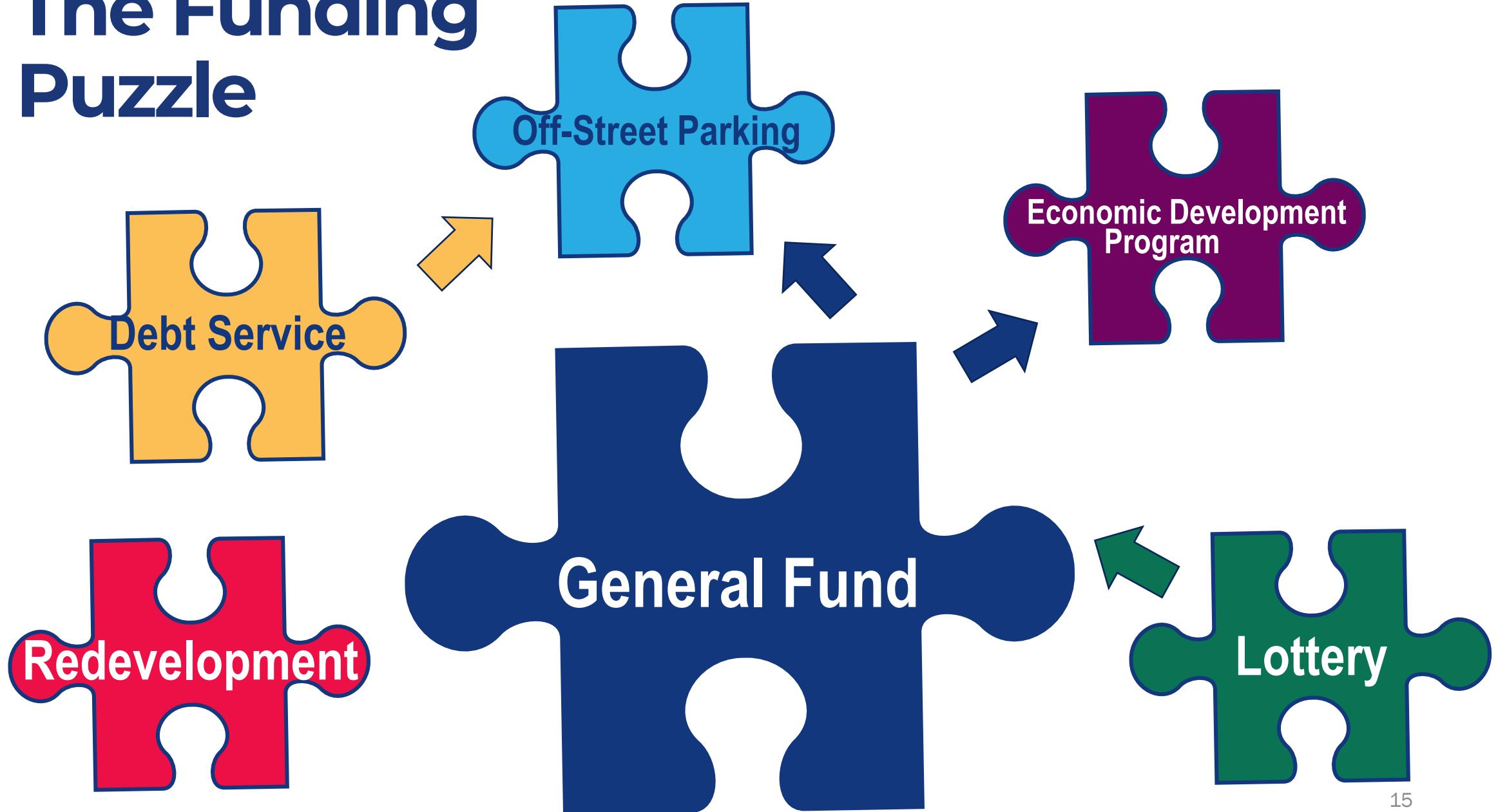
# All Funds Revenues & Expenditures - Scenario Comparison



# Key Takeaways

- Solid financial footing overall
- Stage is set for economic growth
- Growth significantly impacts **General Fund** O&M
- Additional General Fund revenue necessary
- Debt capacity remains healthy overall

# The Funding Puzzle



# General Fund

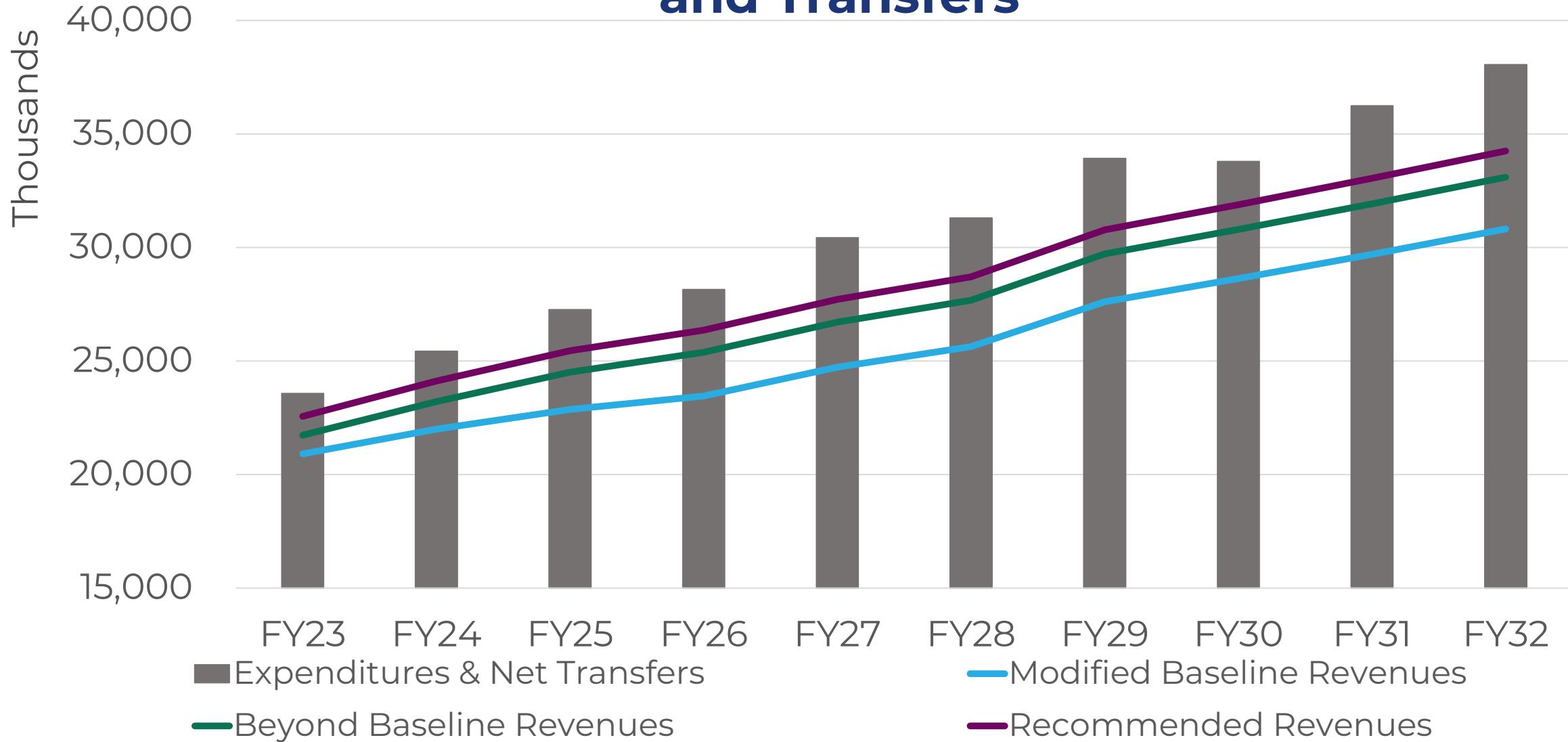
# General Fund Highlights

- Increased Staffing
- Annexations
  - Portal Ridge – FY26
  - Cimarron Woods – FY28
- Economic Development Program Reimbursement

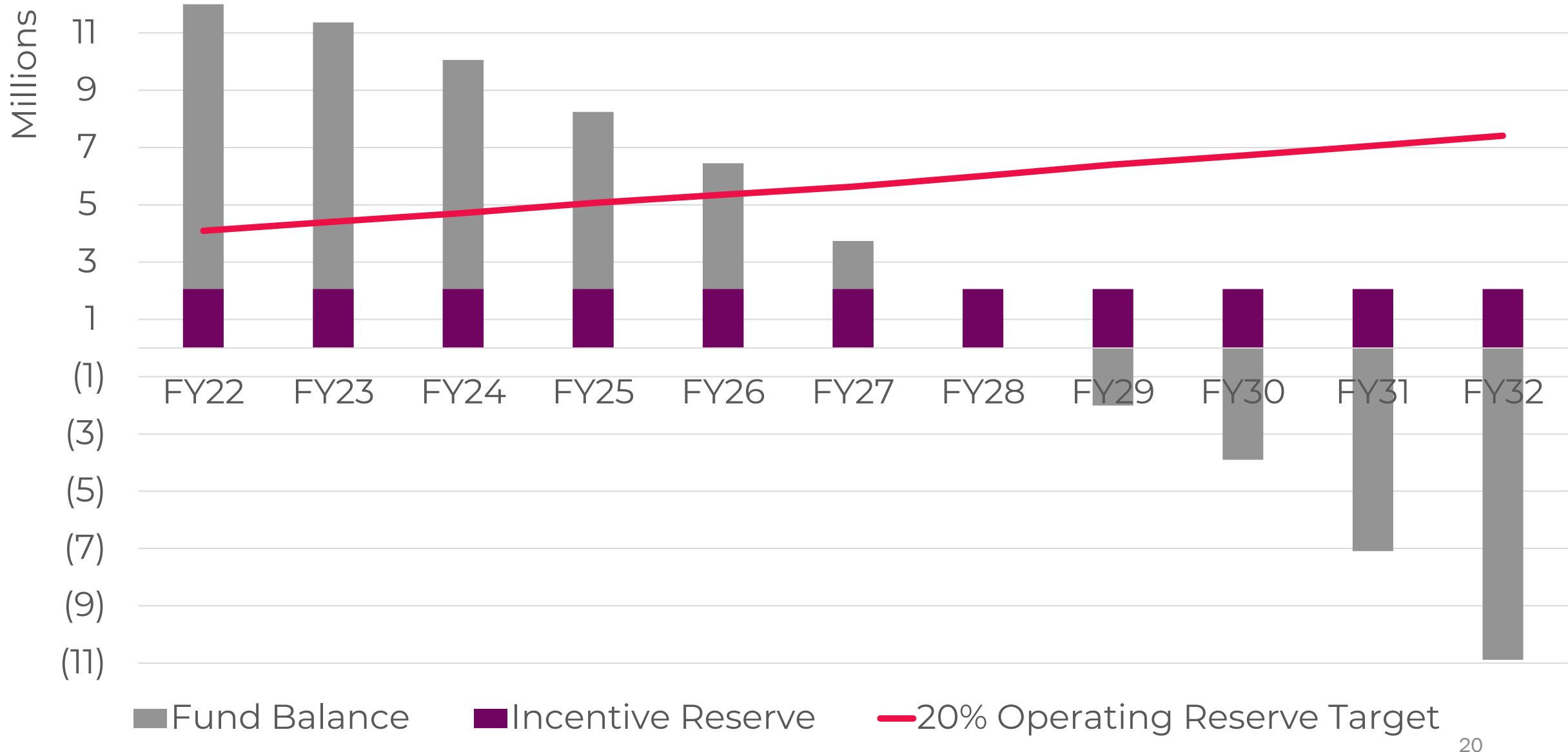
Additional Staffing Summary – Modified Baseline						
FY22	FY23	FY24	FY25	FY26	FY27	FY28
Police Officer (2), June	Recreation Attendants	Police Officer (2), Dec.	Community Services Officer	Streets MW1		Streets MW1
	Parks Seasonal			Sewer MW1		Sewer MW1
	Parks - MW1					
	Parks MW Landscape					
	Police Officer (3), Dec.					
	Police Training Sgt., Dec.					

General Fund Projections - Modified Baseline										
Thousands	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
<b>Revenue</b>										
Property Tax	\$10,100	\$10,389	\$10,686	\$11,005	\$11,777	\$12,129	\$13,515	\$13,920	\$14,338	\$14,767
Sales Tax	\$4,917	\$5,563	\$5,977	\$6,105	\$6,476	\$6,867	\$7,281	\$7,718	\$8,181	\$8,671
Hotel Occupancy Tax	\$1,035	\$1,089	\$1,129	\$1,165	\$1,199	\$1,235	\$1,271	\$1,308	\$1,348	\$1,387
Parking Fees	\$24	\$47	\$47	\$47	\$47	\$47	\$47	\$47	\$47	\$47
Other	\$4,833	\$4,909	\$5,025	\$5,135	\$5,228	\$5,357	\$5,492	\$5,634	\$5,783	\$5,938
<b>Total Revenue</b>	<b>\$20,909</b>	<b>\$21,997</b>	<b>\$22,864</b>	<b>\$23,457</b>	<b>\$24,726</b>	<b>\$25,635</b>	<b>\$27,606</b>	<b>\$28,628</b>	<b>\$29,696</b>	<b>\$30,810</b>
<b>Expenditure</b>										
Personnel	\$13,981	\$15,114	\$16,036	\$16,984	\$17,869	\$18,852	\$19,737	\$20,662	\$21,634	\$22,666
Commodities	\$644	\$654	\$673	\$698	\$719	\$754	\$771	\$794	\$818	\$842
Contractual Services	\$6,269	\$6,605	\$7,381	\$7,815	\$8,274	\$9,030	\$10,029	\$10,629	\$11,263	\$11,941
Maintenance	\$787	\$795	\$814	\$847	\$872	\$943	\$971	\$1,000	\$1,030	\$1,060
Other	\$380	\$392	\$404	\$422	\$445	\$470	\$496	\$518	\$541	\$566
Capital Outlay	\$600	\$600	\$694	\$600	\$960	\$600	\$600	\$600	\$600	\$600
<b>Total Expenditures</b>	<b>\$22,661</b>	<b>\$24,160</b>	<b>\$26,003</b>	<b>\$27,366</b>	<b>\$29,139</b>	<b>\$30,649</b>	<b>\$32,604</b>	<b>\$34,202</b>	<b>\$35,886</b>	<b>\$37,675</b>
Net Transfer	(\$975)	(\$1,213)	(\$1,241)	(\$766)	(\$1,290)	(\$645)	(\$1,617)	\$418	(\$347)	(\$667)
Net Impact (actual)	(\$2,727)	(\$3,376)	(\$4,380)	(\$4,675)	(\$5,703)	(\$5,658)	(\$6,614)	(\$5,157)	(\$6,536)	(\$7,531)
<b>Fund Balance</b>	<b>\$9,639</b>	<b>\$6,264</b>	<b>\$1,884</b>	<b>(\$2,791)</b>	<b>(\$8,494)</b>	<b>(\$14,153)</b>	<b>(\$20,767)</b>	<b>(\$25,923)</b>	<b>(\$32,460)</b>	<b>(\$39,991)</b>
<b>Operating Reserve</b>	<b>44%</b>	<b>27%</b>	<b>7%</b>	<b>-10%</b>	<b>-30%</b>	<b>-47%</b>	<b>-65%</b>	<b>-77%</b>	<b>-92%</b>	<b>-108%</b>

# General Fund Revenues, Expenditures, and Transfers



# General Fund Balance & Incentive Reserve



## Projected Restaurant Tax Revenue

Fiscal Year	At 1.5%	At 2.5%
<b>FY23</b>	1,254,316	2,090,527
<b>FY24</b>	1,369,072	2,281,787
<b>FY25</b>	1,410,144	2,350,240
<b>FY26</b>	1,452,449	2,420,748
<b>FY27</b>	1,496,022	2,493,370
<b>FY28</b>	1,540,903	2,568,171
<b>FY29</b>	1,587,130	2,645,216
<b>FY30</b>	1,634,744	2,724,573
<b>FY31</b>	1,683,786	2,806,310
<b>FY32</b>	1,734,299	2,890,499
<b>10-Year Total</b>	<b>\$15,162,865</b>	<b>\$25,271,441</b>

## Overall Visitation 2019

### La Vista Commercial Districts - 2019 Visitor Origins

Sorted by largest percentage of visits from outside La Vista

Location	Percent from within La Vista City Limits	Percent from outside La Vista City Limits	Percent from within 10 miles	Length of Stay (in minutes)
1) Papio Valley Business Park & Brook Valley II Business Park	3.6%	96.4%	65.5%	139
2) Southport Retail	4.0%	96.0%	61.0%	173
3) Brook Valley BP, Oakdale Park, Val Verde, & Harrison Hills	4.3%	95.7%	77.3%	123
4) 84th Street (north of Giles Rd)	14.0%	86.0%	86.8%	65
5) 96th and Giles Rd	17.2%	82.8%	89.0%	67

Source: Placer.ai

## Overall Visitation 2021

### La Vista Commercial Districts - 2021 Visitor Origins

Exact dates surveyed are Dec 6, 2020 to Dec 5, 2021 (365 days)

Location	Percent from within La Vista City Limits	Percent from outside La Vista City Limits	Percent from within 10 miles	Length of Stay (in minutes)
1) Southport Retail	4.1%	95.9%	61.8%	143
2) Papio Valley Business Park & Brook Valley II Business Park	4.5%	95.5%	67.8%	127
3) Brook Valley BP, Oakdale Park, Val Verde, & Harrison Hills	5.4%	94.6%	74.0%	121
4) 84th Street (north of Giles Rd)	14.7%	85.4%	83.7%	101
5) 96th and Giles Rd	18.3%	81.7%	88.0%	80

Source: Placer.ai

# Visitor Statistics La Vista, NE

## 96<sup>th</sup> St & Giles Road Retail Area 2019

Percent of Total Visits  
Originating in La Vista

2019 **17.2%**

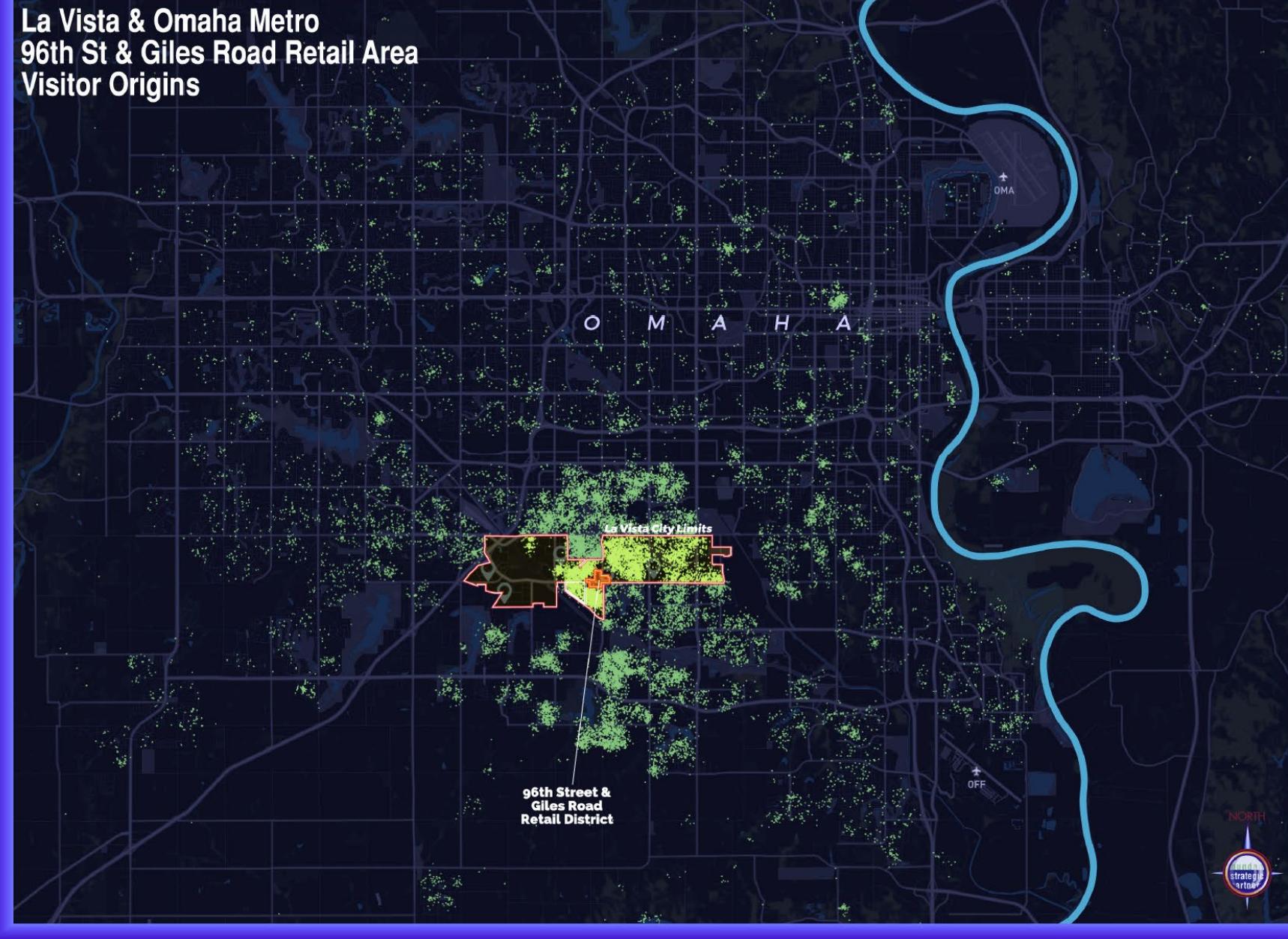
2021 **18.3%**

From within 10 miles

2019 **89.0%**

2021 **88.0%**

Avg HH Income: **\$89.5K**



# Visitor Statistics La Vista, NE

## Southport Retail & Hotels 2019

Percent of Total Visits  
Originating in La Vista

2019 **4.0%**

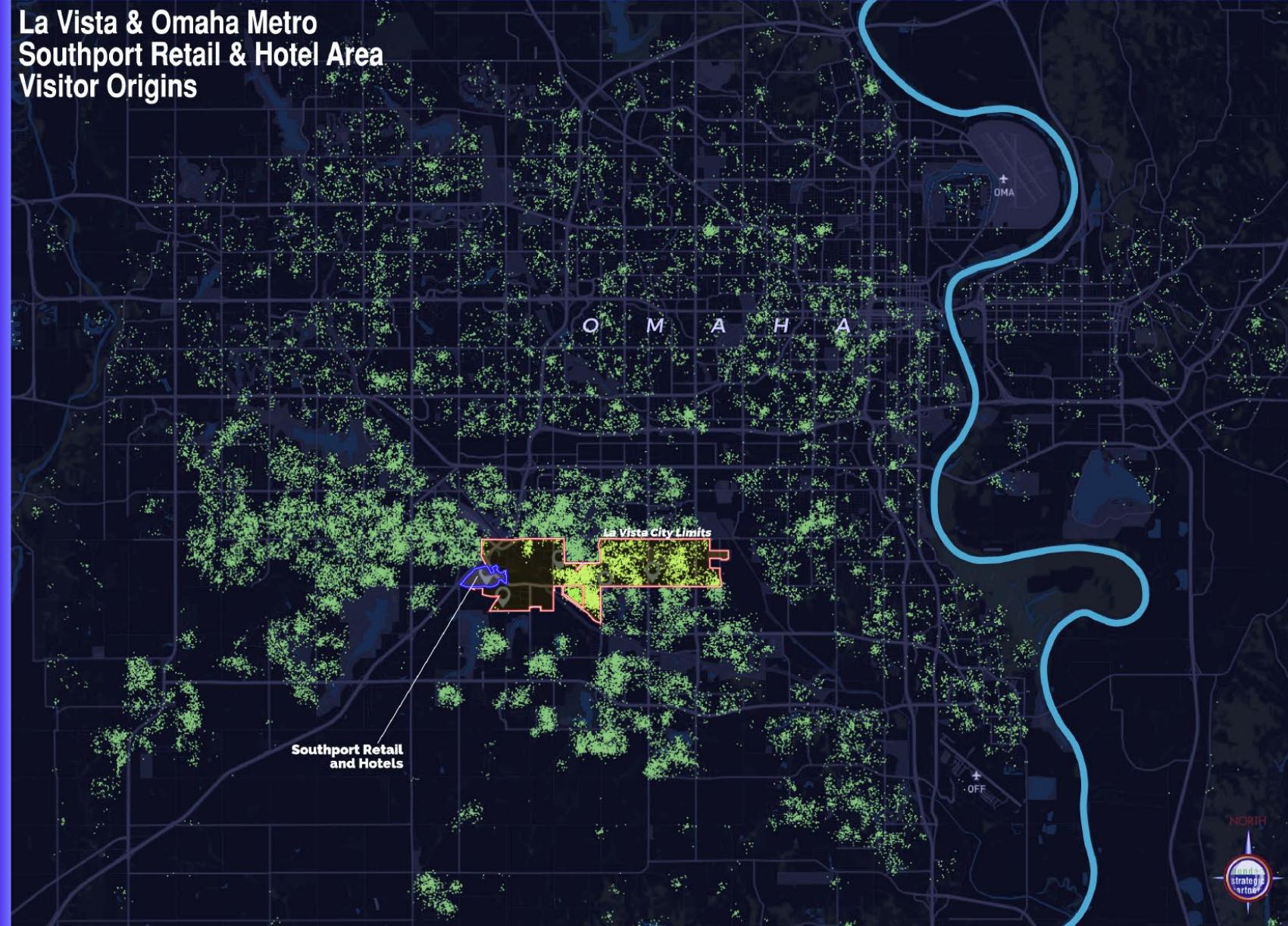
2021 **4.1%**

From within 10 miles

2019 **61.0%**

2021 **61.8%**

Avg HH Income: **\$92.8K**



# Why the Restaurant Tax?

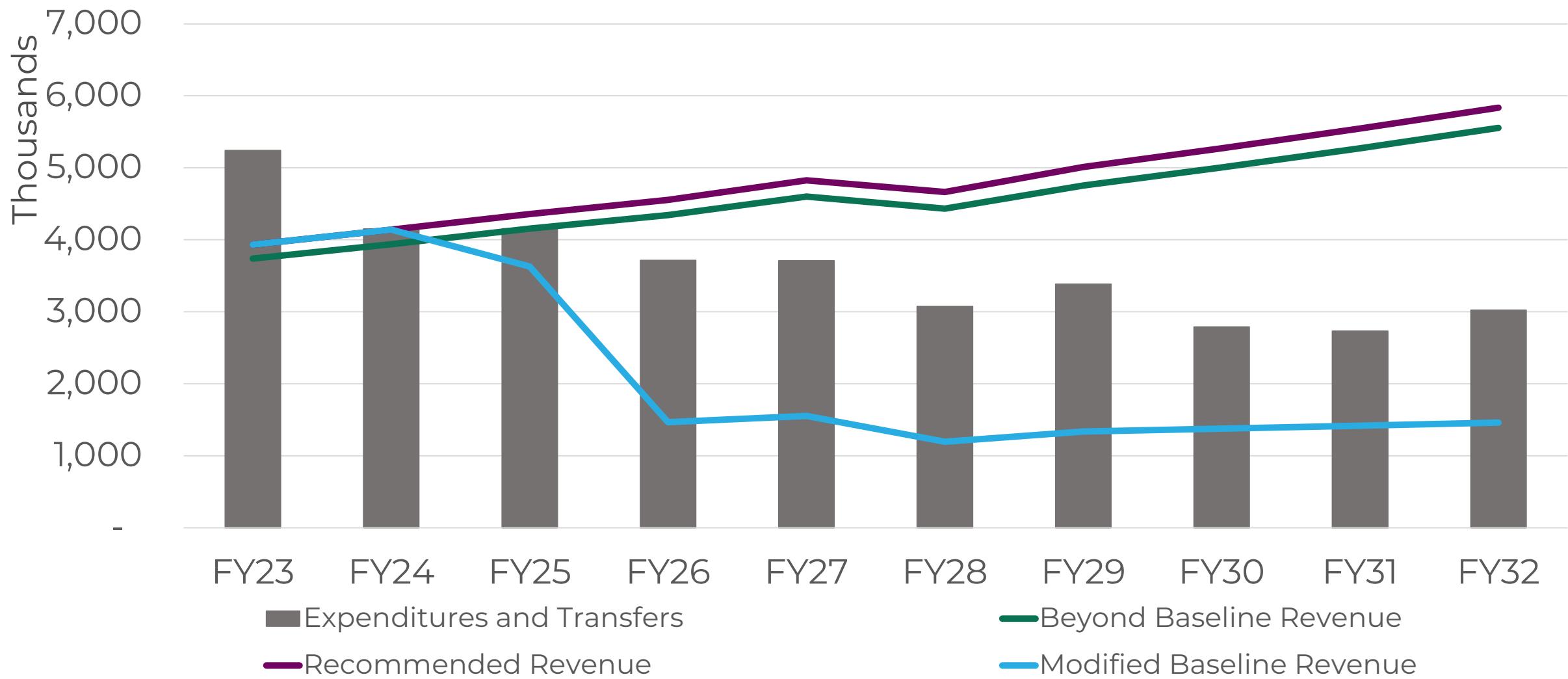
- On average, 90%+ of consumers are non-residents
- Non-resident consumers use our infrastructure and City services
  - Visitors help pay for the maintenance and increased services
- At 2.5%, generates over \$25M during forecast period

# Debt Service

## Debt Service Fund - Modified Baseline

Thousands	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
<b>Revenue</b>										
Property Tax	\$973	\$1,002	\$1,032	\$1,062	\$1,139	\$1,173	\$1,313	\$1,352	\$1,393	\$1,435
Sales Tax	\$2,431	\$2,719	\$2,185	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Papillion Fire MFO	\$529	\$419	\$415	\$406	\$414	\$24	\$24	\$25	\$26	\$26
<b>Total Revenue</b>	<b>\$3,933</b>	<b>\$4,140</b>	<b>\$3,631</b>	<b>\$1,468</b>	<b>\$1,553</b>	<b>\$1,197</b>	<b>\$1,337</b>	<b>\$1,377</b>	<b>\$1,419</b>	<b>\$1,461</b>
<b>Expenditure</b>										
Total Debt Service	\$2,473	\$1,801	\$1,773	\$1,821	\$1,815	\$1,182	\$1,192	\$894	\$841	\$833
Other - PFD	\$288	\$235	\$237	\$237	\$238	\$238	\$239	\$240	\$240	\$240
<b>Total Expenditures</b>	<b>\$2,761</b>	<b>\$2,036</b>	<b>\$2,010</b>	<b>\$2,058</b>	<b>\$2,053</b>	<b>\$1,420</b>	<b>\$1,431</b>	<b>\$1,134</b>	<b>\$1,081</b>	<b>\$1,073</b>
Net Transfer	(\$1,787)	(\$1,796)	(\$1,794)	(\$1,235)	(\$1,237)	(\$1,237)	(\$1,232)	(\$1,237)	(\$1,236)	(\$1,233)
<b>Net Impact (actual)</b>	<b>(\$615)</b>	<b>\$308</b>	<b>(\$172)</b>	<b>(\$1,825)</b>	<b>(\$1,737)</b>	<b>(\$1,460)</b>	<b>(\$1,326)</b>	<b>(\$994)</b>	<b>(\$898)</b>	<b>(\$845)</b>
<b>Fund Balance</b>	<b>\$2,030</b>	<b>\$2,337</b>	<b>\$2,165</b>	<b>\$340</b>	<b>-\$1,397</b>	<b>-\$2,857</b>	<b>-\$4,183</b>	<b>-\$5,177</b>	<b>-\$6,076</b>	<b>-\$6,921</b>
<b>Debt Service Coverage Ratio</b>	<b>0.88</b>	<b>1.09</b>	<b>0.96</b>	<b>0.45</b>	<b>0.47</b>	<b>0.45</b>	<b>0.51</b>	<b>0.59</b>	<b>0.62</b>	<b>0.64</b>

# Debt Service Fund Revenue, Expenditures, & Transfer Projections



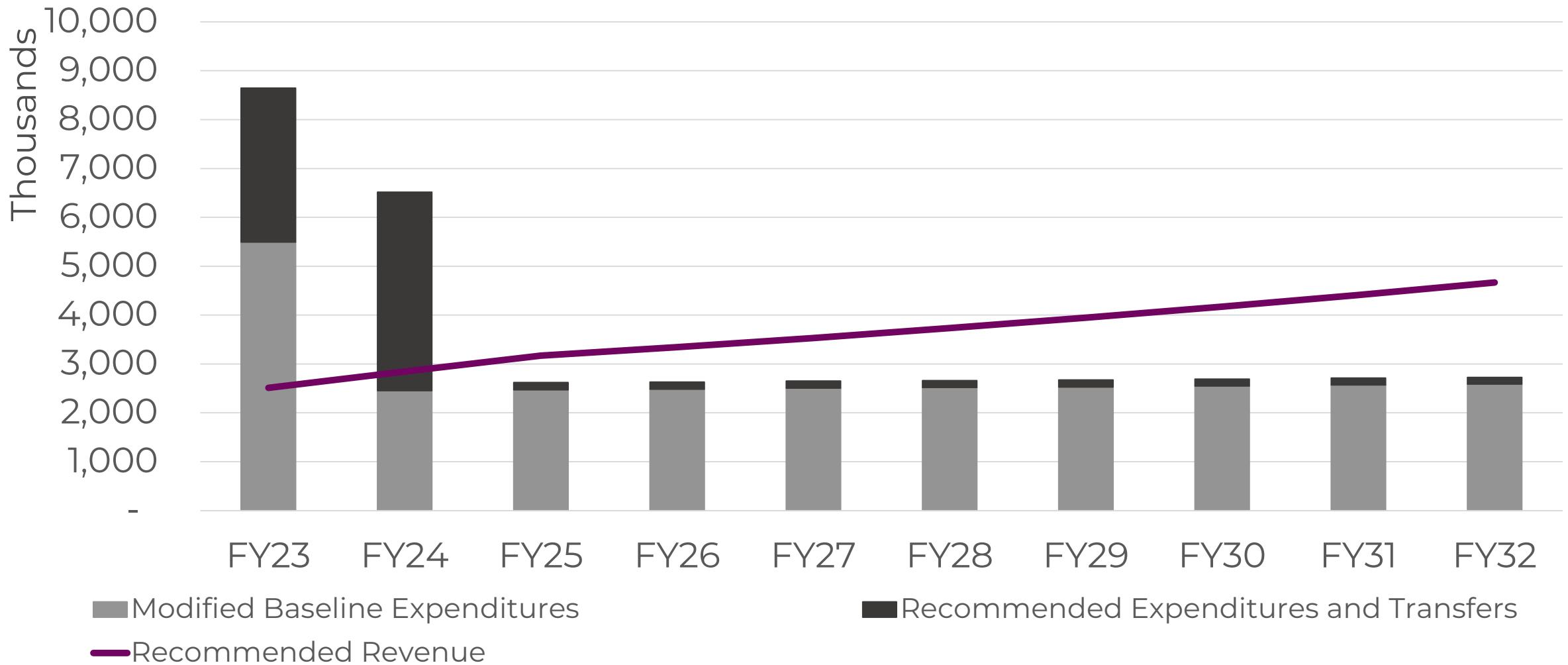
# Projected Debt Service Coverage Ratio

	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
<b>DSCR Target</b>	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Modified</b>	.88	1.09	.96	.45	.47	.45	.51	.59	.62	.64
<b>Beyond Baseline</b>	.82	.95	1.00	1.18	1.25	1.45	1.41	1.81	1.94	1.85
<b>Recommended</b>	0.86	1.00	1.05	1.23	1.31	1.53	1.49	1.90	2.05	1.94

# Redevelopment Fund

Redevelopment Fund - Modified Baseline										
Thousands	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
<b>Revenue</b>										
Sales Tax	\$2,431	\$2,719	\$2,913	\$2,958	\$3,141	\$3,335	\$3,540	\$3,757	\$3,987	\$4,230
GBOT	\$58	\$117	\$247	\$252	\$257	\$263	\$268	\$273	\$279	\$285
Interest Income	\$21	\$18	\$19	\$20	\$20	\$24	\$27	\$30	\$34	\$39
<b>Total Revenue</b>	<b>\$2,510</b>	<b>\$2,854</b>	<b>\$3,179</b>	<b>\$3,230</b>	<b>\$3,419</b>	<b>\$3,621</b>	<b>\$3,835</b>	<b>\$4,061</b>	<b>\$4,300</b>	<b>\$4,553</b>
<b>Expenditure</b>										
Debt Service	\$2,157	\$2,151	\$2,156	\$2,152	\$2,155	\$2,151	\$2,144	\$2,146	\$2,146	\$2,143
Construction	\$3,050	-	-	-	-	-	-	-	-	-
Other	\$286	\$301	\$316	\$332	\$348	\$365	\$384	\$403	\$423	\$444
<b>Total Expenditures</b>	<b>\$5,493</b>	<b>\$2,452</b>	<b>\$2,472</b>	<b>\$2,483</b>	<b>\$2,503</b>	<b>\$2,516</b>	<b>\$2,528</b>	<b>\$2,549</b>	<b>\$2,568</b>	<b>\$2,587</b>
<b>Net Impact (actual)</b>	<b>(\$2,983)</b>	<b>\$402</b>	<b>\$706</b>	<b>\$747</b>	<b>\$916</b>	<b>\$1,105</b>	<b>\$1,307</b>	<b>\$1,512</b>	<b>\$1,732</b>	<b>\$1,966</b>
<b>Fund Balance</b>	<b>\$5,254</b>	<b>\$5,655</b>	<b>\$6,362</b>	<b>\$7,108</b>	<b>\$8,024</b>	<b>\$9,129</b>	<b>\$10,436</b>	<b>\$11,948</b>	<b>\$13,680</b>	<b>\$15,646</b>
<b>DSCR</b>	<b>1.16</b>	<b>1.33</b>	<b>1.47</b>	<b>1.50</b>	<b>1.59</b>	<b>1.68</b>	<b>1.79</b>	<b>1.89</b>	<b>2.00</b>	<b>2.12</b>

# Redevelopment Fund Revenues and Expenditures – Recommended Forecast



# Off-Street Parking Fund

Off Street Parking Fund Projections - Modified Baseline											
Thousands	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	
<b>Revenue</b>											
Interest Income	\$2	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>\$2</b>	<b>\$0</b>	<b>\$0</b>								
<b>Expenditure</b>											
Operations	\$196	\$427	\$442	\$462	\$483	\$506	\$830	\$555	\$581	\$908	
Debt Service	\$1,787	\$1,796	\$1,794	\$1,235	\$1,237	\$1,237	\$1,232	\$1,237	\$1,236	\$1,233	
Construction	\$3,000	-	-	-	-	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$4,983</b>	<b>\$2,223</b>	<b>\$2,235</b>	<b>\$1,697</b>	<b>\$1,720</b>	<b>\$1,743</b>	<b>\$2,062</b>	<b>\$1,792</b>	<b>\$1,816</b>	<b>\$2,141</b>	
<b>Net Transfer</b>	<b>\$2,079</b>	<b>\$2,174</b>	<b>\$2,212</b>	<b>\$1,693</b>	<b>\$1,721</b>	<b>\$1,744</b>	<b>\$2,063</b>	<b>\$1,793</b>	<b>\$1,818</b>	<b>\$2,142</b>	
Net Impact (actual)	(\$2,902)	(\$49)	(\$24)	(\$4)	\$1	\$1	\$1	\$1	\$1	\$1	
<b>Fund Balance</b>	<b>\$79</b>	<b>\$30</b>	<b>\$6</b>	<b>\$3</b>	<b>\$4</b>	<b>\$6</b>	<b>\$7</b>	<b>\$8</b>	<b>\$10</b>	<b>\$11</b>	

# Lottery Fund

## Lottery Fund Projections - Beyond Baseline

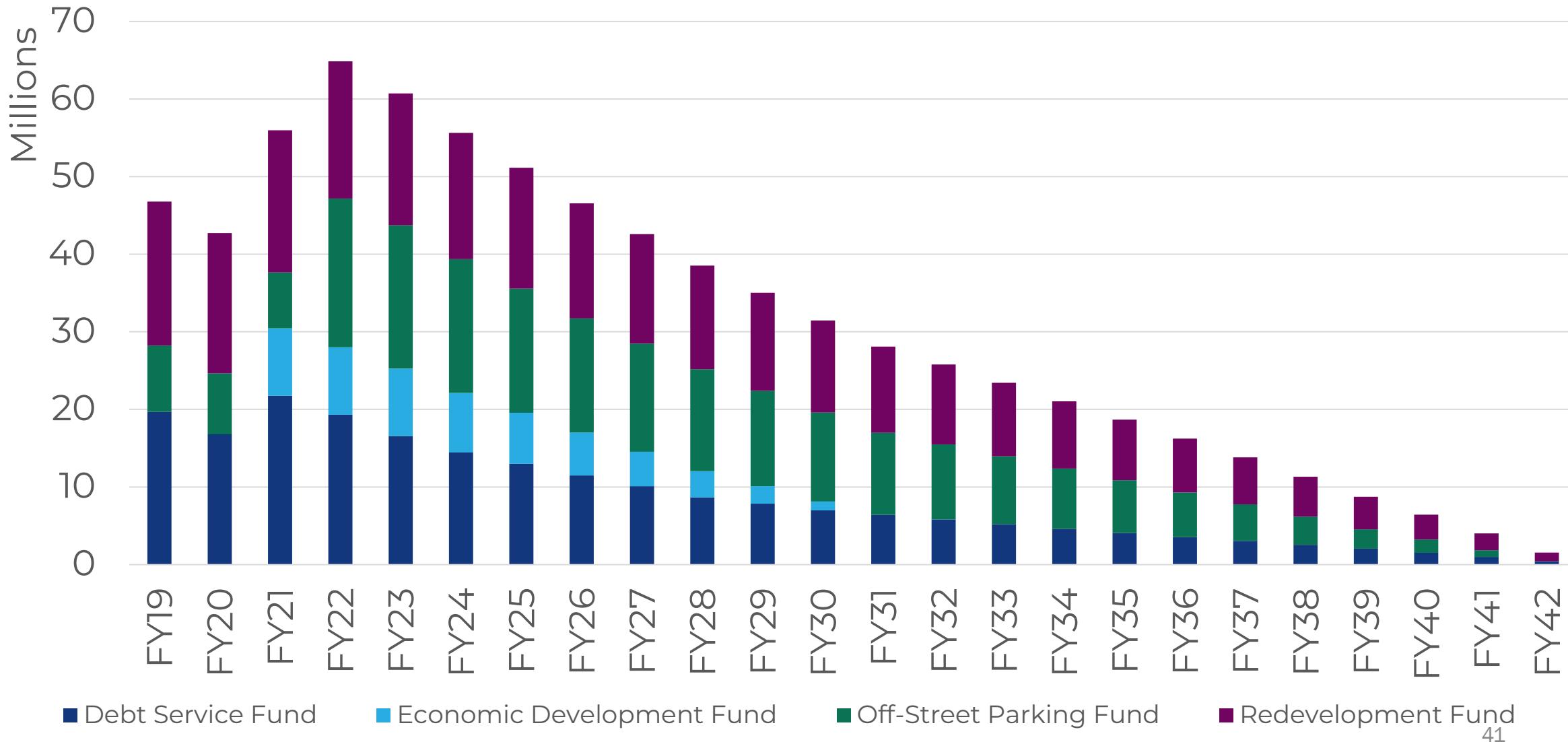
Thousands	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
<b>Revenue</b>										
Community Betterment	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900
Interest Income	\$15	\$7	\$15	\$15	\$15	\$16	\$17	\$17	\$18	\$19
Taxes - Form 51	\$313	\$313	\$313	\$313	\$313	\$313	\$313	\$313	\$313	\$313
<b>Total Revenue</b>	<b>\$1,228</b>	<b>\$1,220</b>	<b>\$1,228</b>	<b>\$1,228</b>	<b>\$1,228</b>	<b>\$1,229</b>	<b>\$1,230</b>	<b>\$1,230</b>	<b>\$1,231</b>	<b>\$1,232</b>
<b>Expenditure</b>										
Community Betterment	\$315	\$311	\$320	\$343	\$339	\$349	\$375	\$371	\$382	\$409
Taxes - Form 51	\$313	\$313	\$313	\$313	\$313	\$313	\$313	\$313	\$313	\$313
<b>Total Expenditures</b>	<b>\$628</b>	<b>\$624</b>	<b>\$633</b>	<b>\$656</b>	<b>\$652</b>	<b>\$662</b>	<b>\$688</b>	<b>\$684</b>	<b>\$695</b>	<b>\$722</b>
<b>Net Transfer</b>	<b>(\$794)</b>	<b>(\$469)</b>	<b>(\$529)</b>	<b>(\$391)</b>	<b>(\$300)</b>	<b>(\$311)</b>	<b>(\$322)</b>	<b>(\$328)</b>	<b>(\$336)</b>	<b>(\$344)</b>
<b>Net Impact (actual)</b>	<b>(\$194)</b>	<b>\$127</b>	<b>\$66</b>	<b>\$181</b>	<b>\$276</b>	<b>\$256</b>	<b>\$220</b>	<b>\$218</b>	<b>\$200</b>	<b>\$166</b>
<b>Fund Balance</b>	<b>\$4,281</b>	<b>\$4,409</b>	<b>\$4,475</b>	<b>\$4,656</b>	<b>\$4,931</b>	<b>\$5,187</b>	<b>\$5,407</b>	<b>\$5,626</b>	<b>\$5,827</b>	<b>\$5,993</b>

# Economic Development Program Fund

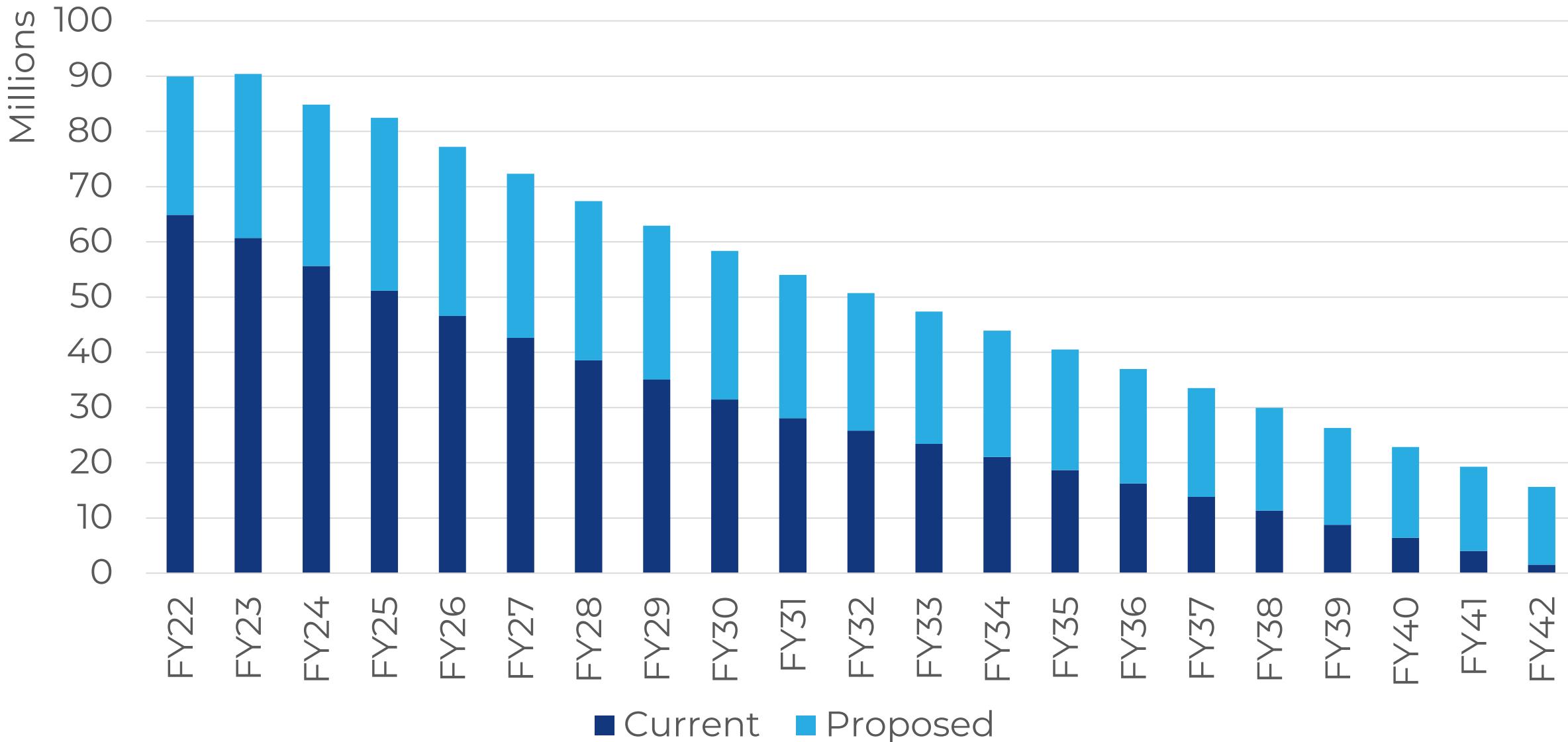
Economic Development Program Fund Projections										
Thousands	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
<b>Revenue</b>										
Grantee Payments	\$144	\$144	\$144	\$144	\$144	\$144	\$144	\$1,890	-	-
Interest Income	\$3	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>\$147</b>	<b>\$144</b>	<b>\$144</b>	<b>\$144</b>	<b>\$144</b>	<b>\$144</b>	<b>\$144</b>	<b>\$1,890</b>	-	-
<b>Expenditure</b>										
Debt Service	\$1,150	\$1,150	\$1,147	\$1,152	\$1,149	\$1,149	\$1,151	\$1,155	-	-
<b>Total Expenditures</b>	<b>\$1,150</b>	<b>\$1,150</b>	<b>\$1,147</b>	<b>\$1,152</b>	<b>\$1,149</b>	<b>\$1,149</b>	<b>\$1,151</b>	<b>\$1,155</b>	-	-
Net Transfers	\$920	\$1,004	\$1,004	\$1,008	\$1,005	\$1,006	\$1,007	(\$746)	-	-
Net Impact (actual)	(\$83)	(\$2)	-	-	-	\$1	-	(\$12)	-	-
<b>Fund Balance</b>	<b>\$13</b>	<b>\$12</b>	<b>\$12</b>	<b>\$12</b>	<b>\$11</b>	<b>\$12</b>	<b>\$12</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Debt Capacity

# Current Outstanding Debt Principal



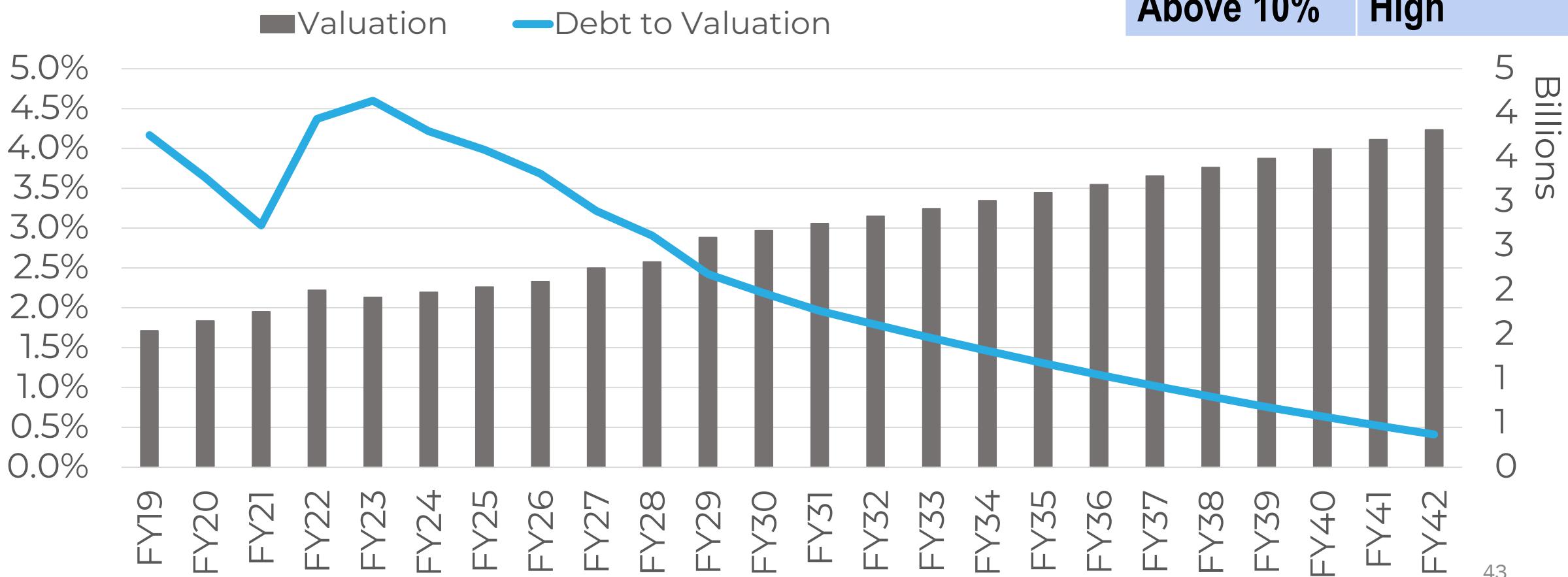
# Total Current and Proposed Debt Principal



# Debt to Assessed Valuation

S&P Categories of Credit Risk

Below 3%	Very Low
3% -6%	Low
6% - 10%	Moderate
Above 10%	High



# Debt Capacity Highlights

- Debt Service Fund
  - \$48M could be issued in bonds from FY26-FY32
- Redevelopment Fund
  - Has a debt capacity of \$24M in bonds from FY26-FY32
- Cash funding is available if less than max. bond capacity is issued

# Next Steps

- Individual meetings
- Annual Planning Meeting (March)
  - CIP
  - Operations & maintenance plans
- FY23/24 Budget Preparation (April – June)
- Budget Workshop (July 18 & 19)

# Questions?

