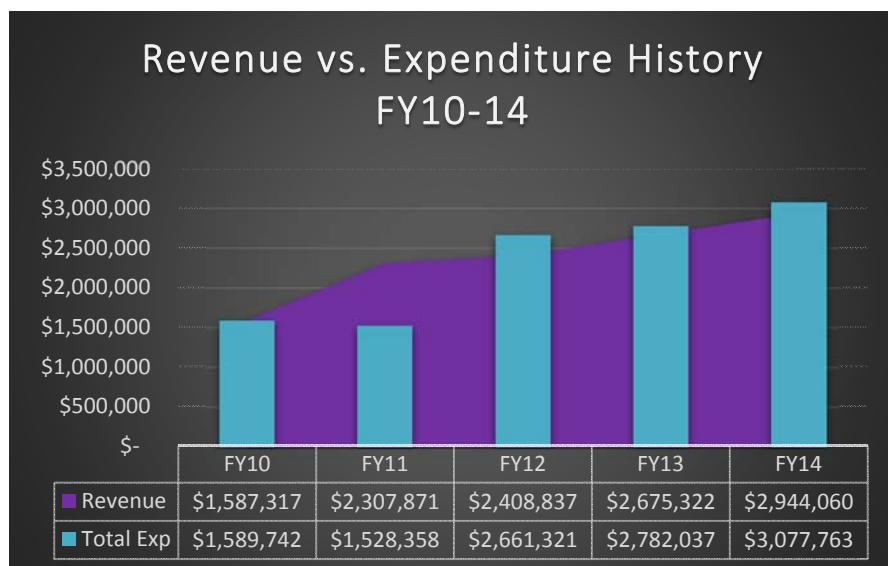


The Sewer Fund is a type of proprietary fund, which is considered an enterprise fund. Enterprise funds account for business-type activities supported largely through user charges. The main purpose of this business-like approach is to provide services to consumers at a price that will cover both the current cost of operations (expenses) and the maintenance and financing of the necessary capital assets. The primary sources of revenue for the sewer fund are tract connection fees from new users and sewer use fees. The Wastewater Service Agreement and Addendum between the City of Omaha and City of La Vista was adopted by the City Council on April 7, 2009 and was amended in January 2013. The chart below is indicative of the increasing sewer use fees as the City began collecting from subdivisions within the extraterritorial jurisdiction (ETJ) east to the interstate, in FY11 collection was expanded to include those west of the interstate, and in FY 14 for expansion to west side of 144th Street.



The fees paid to the City of Omaha to treat sewage for the City of La Vista represent 56.5% of the City's anticipated sewer expenses in FY15. The City of Omaha bills the City of La Vista for treating sanitary sewage and is proposing rate increases through 2018 between 9% and 10% per year.

The current billing rates were last formally reviewed in 2009 and a rate schedule was established increasing sewer use fees at the rate of 8% annually through FY14. The recently completed rate study has shown that continuing with the current rate schedule will not provide sufficient revenue to meet the needs of the system for FY15 through FY19. The Mayor and City Council accepted the Rate Study's recommendation to increase annual rates by 10% annually for all classes of sewer customers with the exception of transitioning the format of billing multi-family customers. The Rate Study recommended a transition in the fees for multi-family sewer users so that by FY19 those customers can be billed through the MUD billing system and eliminating manual billing by City staff. This will position the City to favorably accommodate changes in the projections and to reduce abrupt rate changes in the future. Modifications to the sewer fund budget are also being recommended to reduce the 70/30 split with the General Fund for Administrative Services, Administration, Streets Administration and Human Resources to 75/25. This will reduce expenditures in the fund by approximately \$80,000. *(The salary and benefits*

Sewer Fund

of the Assistant Public Works Director/City Engineer; Secretary; and Intern are split 50/50 between Streets Administration and Sewer Administration). Another expenditure reduction of approximately

\$95,000 relates to eliminating a transfer to the General fund for Information Technology expenses as has been done in the past.

The capital request of \$60,000 is to replace the easement machine that was purchased in 1999. The equipment is very top heavy which makes it a safety concern. The technology of the newer machines have improved by making them wider and more stable. They are also more accessible in wet conditions and easier on the grass.

As noted in prior years, the City's sewer infrastructure is beginning to show its age and it is anticipated that significant repair/reconstruction will be required in the future. In anticipation of this, in FY12 the City established a Sewer Replacement Reserve of \$300,000. Ideally, funds in excess of a 25% cash reserve would be put into the reserve annually. The recommendation to add \$50,000 per year to the reserve will increase the reserve to \$350,000 in FY15. However, the City's Capital Improvement Program has anticipated a rehabilitation project for this area ranges in cost from \$3 to \$4 million dollars. The reserve will be unable to fund this project. In addition there are several small pieces of the sewer system that are found each year in need of rehabilitation. In order to begin addressing these needs the Rate Study is recommending an annual expenditure to be anticipated. The Rate Study recommendations a \$2.9 million bond issue with a yearly payment of \$200,000. The study took into account various rate scenarios and found that a \$200,000 payment could be supported if bond payments are assumed to begin in 2018 and if rates are increased sufficiently to cover this expense. Nevertheless, funding recommendations will be reviewed and determined annually based on current conditions.

Sewer Fund

Sewer Fund Summary

	FY12 Actual	FY13 Actual	FY14 Budget	FY15 Adopted
Balance Forward	1,077,249	697,362	888,075	1,237,171
Revenues				
Sewer Serv. Chges. Billed	194,529	223,063	234,755	258,231
User Fee	2,052,555	2,136,911	2,557,023	2,812,725
NE Tax Coll. Fee	289	336	200	200
Late Charges	-	-	-	-
Serv Charge/Hook Up Fees	131,070	287,104	125,000	100,000
State Grants	24,082	24,082	24,082	24,082
Miscellaneous	3,159	529	-	-
Interest on Investments	3,155	3,298	3,000	3,000
Total Revenues	2,408,838	2,675,322	2,944,060	3,198,238
Funds Available	3,486,087	3,372,684	3,832,135	4,435,409
Expenditures				
Salary & Benefits	683,211	731,944	813,970	778,176
Operating	1,463,766	1,714,092	2,103,734	2,430,703
Capital	214,344	36,000	20,000	60,000
Total Expenditures	2,361,321	2,482,037	2,937,704	3,268,879
Transfers Out				
Inter-Fund Transfers	-	-	36,000	28,000
Sewer Replacement Reserve	300,000	300,000	300,000	350,000
Ending Balance	824,765	890,648	858,431	1,088,530

Sewer Fund

Sewer Administration

	FY12 Actual	FY13 Actual	FY14 Budget	FY15 Adopted
PERSONNEL SERVICES				
Salaries - Full-Time	257,984	278,550	321,808	310,418
Salaries - Part-Time	11,268	17,436	21,524	18,365
Overtime Salaries	886	2,674	1,264	888
FICA	19,622	21,721	26,356	25,231
Insurance Charges	29,367	32,432	39,580	30,191
Other Personnel Services	-	-	-	-
Pension	13,201	14,480	16,653	14,878
Pension/ICMA	2,331	2,396	2,562	3,811
Self Insurance Expense	-	-	-	-
Total Personnel Services	334,660	369,690	429,747	403,782
COMMODITIES				
Inter-Fund Transfers				
Office Supplies	3,720	4,342	3,786	3,079
Books and Periodicals	146	128	429	311
Food Supplies	-	16	107	79
Wearing Apparel	25	-	-	-
Motor Vehicle Supplies	-	-	-	-
Other Commodities	-	-	-	-
Total Commodities	3,892	4,486	4,322	3,469
CONTRACTUAL SERVICES				
Postage	505	852	1,286	1,608
Telephone	1,842	1,830	2,211	1,636
Professional Services-Other	461	4,534	1,950	1,625
Utilities	7,242	7,432	7,860	6,747
Insurance & Bonds	-	-	-	-
Rentals	-	-	-	-
Car Allowance	1,620	1,812	1,548	1,830
Legal Advertising	293	324	300	375
Printing	774	785	1,304	1,087
Dues and Subscriptions	1,762	1,871	2,254	2,268
Travel Expense	3,047	6,132	11,468	9,246
Uniform Cleaning	-	-	-	-
Training Assistance	6,992	3,219	9,739	11,867
Other Contractual Services	11,088	8,373	21,978	7,641
Prof Services-Auditing	14,610	13,019	15,900	12,538
Professional Services-Legal	23,040	49,555	40,714	31,607
Total Contractual Services	73,275	99,738	118,512	90,075

Sewer Fund

Sewer Administration

	FY12 Actual	FY13 Actual	FY14 Budget	FY15 Adopted
MAINTENANCE				
Building and Grounds	-	11	-	-
Machine Equip & Tool Maint	-	-	-	-
Vehicle Maintenance	-	-	-	-
Total Maintenance	-	11	-	-
OTHER CHARGES				
Other Charges	5,205	8,936	8,754	8,345
Refunds/Judgements	-	-	-	-
County Treasurer Fee	-	-	-	-
Financial Lending Bond Fees	-	-	-	-
"Fee" Expense	-	-	-	-
Total Other Charges	5,205	8,936	8,754	8,345
CAPITAL OUTLAY				
Office Equipment	-	-	-	-
Other Capital Outlay	-	-	-	-
Total Capital Outlay	-	-	-	-
Total Sewer Administration	17,031	482,862	561,335	505,671

Sewer Fund

2-41 Sewer Administration

The Administration, Administrative Services and Human Resources budgets are partially funded by the Sewer Administration budget. The line items below fund 25% of the total of these same line items in the budgets mentioned above.

Budget

Line Item

101 Full Time Salaries

This line item provides partial funding for full time positions. A 2.5% base factor is included for potential salary increases in accordance with the compensation ordinance.

102 Part Time Salaries

This line item provides partial funding for part time and seasonal positions.

103 Overtime

This line item provides partial funding for overtime expenditures. Overtime is approved on an as-needed basis.

104 FICA

This is a mandatory withholding match that is a fixed percentage of salaries.

105 Insurance Charges

This line item partially funds the City's portion of health, dental, life and disability insurance for employees. In an effort to keep health insurance rates at a manageable level, changes were made this past year to the way this benefit is funded. The City took on a portion of the liability, which resulted in lower premiums. Actual savings, if any, will depend on plan usage during a given year. The budget does include a potential 5% increase in insurance premiums, but we are hopeful this new funding mechanism will help us better keep insurance costs under control.

107 Civilian Pension

This line item partially funds the City's portion of employee pension contributions.

201 Office Supplies

This line item partially funds miscellaneous office supplies including copy machine and postage meter supplies.

202 Books and Periodicals

This line item partially funds the purchase of books and periodicals including new NE Revised Statute books.

203 Food Supplies

This line item partially funds any food supplies purchased for meetings, etc.

204 Wearing Apparel

No funding requested in this line item.

205 Motor Vehicle Supplies

No funding requested in this line item.

211 Other Commodities

No funding requested in this line item.

301 Postage

This line item partially funds the mailing of the City Newsletter and other general mailing expenses.

302 Telephone

This line item partially funds telephone services.

303 Professional Services - Other

This line item partially funds services such as employee drug testing, engineering services and any additional professional services.

304 Utilities

This line item partially funds all utility costs. An across-the-board increase of 3% was requested this year for all utilities.

308 Legal Advertising

This line item partially funds advertising costs for employment positions and legal notices.

309 Printing

This line item provides partial funding for printing the City Newsletter, letterhead and stationary, and other miscellaneous printing projects.

310 Dues and Subscriptions

This line item partially funds professional memberships and certifications for employees as well as subscriptions.

311 Travel Expenses

This line item partially funds all authorized trips and the expenses related to meals, lodging, transportation and miscellaneous incidental costs.

312 Towel/Cleaning Service

No funding requested in this line item.

313 Training

This line item partially funds all training course registrations costs and seminar costs.

314 Contractual Services

This line item partially funds on-going service contracts and contracts associated with special projects.

321 Professional Services – Legal

This line item partially funds legal fees.

Sewer Fund

505 Other Charges

This line item partially funds the purchase of supplies that do not logically fall into any one of the scheduled accounts and other miscellaneous expenses.

Sewer Fund

Sewer Operations

	FY12 Actual	FY13 Actual	FY14 Budget	FY15 Adopted
PERSONNEL SERVICES				
Salaries - Full-Time	237,859	251,863	239,911	240,084
Salaries - Part-Time	16,807	12,889	28,713	29,071
Overtime Salaries	9,757	5,811	12,102	12,062
FICA	19,393	19,753	21,542	21,596
Insurance Charges	49,887	56,479	66,783	55,531
Other Personnel Services	-	-	-	-
Pension	14,849	15,460	15,172	16,050
Pension/ICMA	-	-	-	-
Self Insurance	-	-	-	-
Total Personnel Services	348,552	362,254	384,223	374,394
COMMODITIES				
Inter-Fund Transfers			36,000	28,000
Office Supplies	152	196	200	200
Food Supplies	57	38	100	100
Wearing Apparel	1,195	1,045	1,400	1,580
Motor Vehicle Supplies	24,403	25,710	25,639	25,639
Maint/Lab/Med Tool Supply	711	601	1,000	1,000
Janitor Supplies	290	293	200	200
Chemical Supplies	6,403	8,306	8,500	8,500
Welding Supplies	674	513	700	700
Other Commodities	-	-	-	-
Total Commodities	33,884	36,702	73,739	65,919
CONTRACTUAL SERVICES				
Postage	414	703	675	675
Telephone	-	93	-	480
Professional Services-Other	4,189	890	2,664	2,814
Utilities	3,242	4,554	9,000	9,270
Insurance and Bonds	17,053	120,926	130,000	155,000
Rentals	-	-	-	-
Legal Advertising	-	-	150	150
Printing	2,087	2,250	2,325	2,348
Dues and Subscriptions	10	10	120	40
Travel Expense	4,413	4,740	6,064	9,366
Towel and Cleaning Services	1,246	939	1,500	1,500
Training Assistance	1,838	1,530	2,395	2,895
Other Contractual Services	1,139,949	1,352,308		1,992,684
Prof Services-Auditing	6,000	4,339	5,000	4,850
Professional Services-Legal	36,153	1,240	15,000	15,000
Total Contractual Services	1,316,594	1,494,522	1,845,506	2,197,072

Sewer Fund

Sewer Operations

	FY12 Actual	FY13 Actual	FY14 Budget	FY15 Adopted
MAINTENANCE				
Building and Grounds	6,147	8,427	13,300	10,500
Sanitary Sewers	569	4,479	7,527	4,527
Machine Equip and Tool Maint.	4,017	7,167	5,509	5,509
Motor Vehicle Maintenance	11,878	11,132	13,030	13,030
Radio Maintenance	1,444	576	1,500	1,500
Other Maintenance	-	-	-	-
Total Maintenance	24,055	31,782	40,866	35,066
OTHER CHARGES				
Other Charges	31	128	150	150
Total Other Charges	31	128	150	150
CAPITAL OUTLAY				
Office Equipment				
Motor Vehicles	208,800	-	-	-
Other Capital Outlay	5,544	36,000	20,000	60,000
Total Capital Outlay	214,344	36,000	20,000	60,000
Total Sewer Operations	1,937,460	1,961,388	2,364,484	2,732,601

02-42 **Sewer Maintenance**

Budget **Line Item**

101 Full Time Salaries

This line item provides funding for six full time positions. A 2.5% base factor is included for potential salary increases in accordance with the compensation ordinance.

102 Part Time Salaries

This line item provides funding for two part time and two seasonal positions with a full time equivalent of 2.08. Funding requested at same level as last year.

103 Overtime

This line item provides overtime funding for six full-time positions. Overtime is approved on an as-needed basis. The major contributing factor to overtime is snow removal operations. Overtime is also needed during La Vista Days, sewer plugs and occasional emergency call-outs from dispatch.

104 FICA

This is a mandatory withholding match that is a fixed percentage of salaries.

105 Insurance Charges

This line item funds the City's portion of health, dental, life and disability insurance for employees. In an effort to keep health insurance rates at a manageable level, changes were made this past year to the way this benefit is funded. The City took on a portion of the liability, which resulted in lower premiums. Actual savings, if any, will depend on plan usage during a given year. The budget does include a potential 5% increase in insurance premiums, but we are hopeful this new funding mechanism will help us better keep insurance costs under control.

107 Civilian Pension

This line item funds the City's portion of employee pension contributions.

201 Office Supplies

This line item funds supplies used in the front office, Sewer Foreman's office and general use by hourly employees. Funding requested at same level as last year.

203 Food Supplies

This line item funds two breakfast meetings with supervisory staff and the City Engineer. Funding requested at same level as last year.

204 Wearing Apparel

This line item funds the purchase of safety boots, safety shirts, rain gear, and safety equipment for six full time, one part time and two seasonal employees. Requesting an additional \$180 for an increase in the boot allowance; \$30 for six employees.

Sewer Fund

02-42 Sewer Maintenance

205 Motor Vehicle Supplies

This line item funds the purchase of fuel, oil, anti-freeze and tires for 8 vehicles and 12 pieces of equipment. Funding requested at same level as last year.

206 Lab and Maintenance Supplies

This line item funds the purchase of replacement tools and equipment such as power tools, mechanic tools, sewer tools, shovels, rakes and all other construction related tool requirements. Funding requested at same level as last year.

207 Janitorial Supplies

This line item funds paper products and cleaning supplies for the Sewer Shop. Funding requested at same level as last year.

208 Chemical Supply

This line item is for the purchase of chemical products used to treat sanitary sewer lines and related right-of-way areas. Funding requested at same level as last year.

209 Welding Supplies

This line item funds welding supplies to maintain 8 vehicles and 12 pieces of equipment in addition to any building and grounds repairs. Funding requested at same level as last year.

211 Other Commodities

No request for funding in this line item.

301 Postage

This line item covers the sewer operating share of mailing the City Newsletter and general mailing. Funding requested at same level as last year.

302 Telephone

This line item covers the access to the internet for One Call and GIS mapping. Ongoing-increase of \$480.00 requested for hot spot service for the IPad.

303 Professional Services - Other

This line item funds the State of Nebraska fuel tank registration, employee drug testing, engineering services and any additional professional services. Ongoing increase of \$150.00 requested for Comp Choice quarterly charge.

304 Utilities

This line item funds natural gas and electricity service for the sewer shop and old sewer treatment plant. Ongoing increase of \$270.00 requested due to rate increase of 3%.

308 Legal Advertising

This line item funds advertising for seasonal employment positions. Funding requested at same level as last year.

02-42 **Sewer Maintenance**

309 Printing

This line item provides funding for printing the City Newsletter, letterhead and stationary. Funding requested at same level as last year.

310 Dues and Subscriptions

This line item funds the professional memberships and certifications for 6 full time employees. Examples include Nebraska Pesticide Applicators License and Water Operators License. Funding requested is a slight decrease from last year.

311 Travel Expenses

This line item funds all authorized trips and the expenses related to meals, lodging, transportation and miscellaneous incidental costs. One-time increase of \$3,200.00 is requested for travel, lodging and meals for 2 employees to attend training for CUES camera repair. Ongoing request of \$102 for travel price adjustments.

312 Towel/Cleaning Service

This line item funds the laundering of Public Works uniforms. Funding requested at same level as last year.

313 Training

This line item includes all training courses and seminar costs. One-time increase of \$100.00 is requested for training on repairing the CUES camera equipment. Ongoing request of \$400 for recertification of Metam Sodium license for four employees.

314 Contractual Services

This line item funds contracts for the following services: City of Omaha sewer treatment; Heritage Crystal Clean; Papillion Sanitation; Simplex Grinnell; Sarpy County 800 MHz; One Call; Cummings Generator Inspection and vehicle loan payment. Requesting additional \$412,371 for sewer treatment in conjunction with City of Omaha rate increases and expansion of the City's ETJ, as well as additional sewer accounts from anticipated development. Additionally, computer services have been included in this line item in the past and have been moved to a separate budget (26) specifically designated for Information Technology (IT) expenses.

321 Professional Services – Legal

Funding requested at same level as last year.

401 Building and Grounds

Funds in this line item are used for the repair and maintenance of the sewer shop and old sewer treatment building. Funding requested is a decrease from last year.

405 Sanitary Sewer Maintenance

This line item provides funding for the repair and maintenance of the sanitary sewer system. Funding requested is a decrease from last year.

Sewer Fund

02-42 Sewer Maintenance

409 Machine – Equipment and Tool Maintenance

This line item funds the repair, maintenance and replacement of maintenance tools and equipment such as marking paint, pry bars, blowers and generators. Funding requested at same level as last year.

410 Motor Vehicle Maintenance

This line item funds replacement parts for 8 vehicles and 12 pieces of equipment. Funding requested at same level as last year.

411 Radio Maintenance

This line item funds the repair and maintenance of the radio system. Funding requested at same level as last year.

505 Other Charges

This line item funds the purchase of supplies that do not logically fall into any one of the scheduled accounts such as expenses for the annual employee appreciation dinner. Funding requested at same level as last year.

618 Other Capital

Easement Machine - \$60,000

We currently co-own (shared with the City of Papillion) a 1999 Sewer Caddy Easement Machine, which is used mainly to clean the sanitary sewer lines that run through the golf course. This is typically done once or twice a year. It is also used at various locations throughout the City where sewer lines cannot be reached with our trucks. This machine is very top heavy and can tip over quite easily, making it dangerous to operate. When it is used at the golf course extreme caution must be taken on side hills due to the danger of tipping. The technology of the new easement machines is much improved. They are made with extendable tracks, which increase the stability and results in much lower contact pressure. This is important for accessibility during wet conditions and results in less damage to park or golf course surfaces. The probability of tipping is greatly reduced and employee safety is enhanced. The new machines can also pass through narrower openings than our current machine. In the Val Vista, Mayfair, Cimarron Woods and Portal Ridge subdivisions sanitary outfall sewers follow existing drainage ways through outlet and park areas that are not always accessible to truck-mounted equipment.

Sewer Fund

Storm Water Management

	FY12 Actual	FY13 Actual	FY14 Budget	FY15 Adopted
OTHER CHARGES				
Other Charges	6,830	37,787	47,885	58,607
Total Storm Water Management	6,830	37,787	47,885	58,607

Sewer Fund

02-43 Storm Water Management

Budget

Line Item

505 Other Charges

This account was created to manage grant funding made available by the Nebraska Department of Environmental Quality (NDEQ) for implementation of the Storm Water Management Plan (SWMP) for the City of La Vista. These funds must be used only for implementation of the SWMP. These funds may not be used for normal operation and maintenance or flood control. The City is required to provide a 20% match for all grant funding. The City received a grant for \$19,884.00 in 2006; \$25,000 in 2007; \$27,980 in 2008; \$27,389 in 2009, \$26,154 in 2010, \$24,082 in 2011 and \$24,082 in 2012. Public Works will be applying for a \$24,082 grant in 2013. Funds are currently being used to finance activities associated with the Papillion Creek Watershed Partnership (PCWP). Projects which have been completed to date include: conducting an inventory of the entire storm water system and placing it onto a GIS overlay; storm drain stenciling program to prevent illegal dumping in catch basins and curb inlets; installation of a storm water trash and debris separator on a storm line that dumps into the golf course lake; purchase of a GIS handheld unit for collecting data internally, and purchase of automatic vehicle locating systems to track application of deicing chemicals and street sweeping. Future projects may include the installation of several more debris separators, the purchase of I-Pads for field work, the equipping of the sewer camera truck with access to the Sarpy GIS system to access sewer maps for information and updating, installation of a sediment/grit trap at Public Works to improve water quality of runoff from wash down activities, and other activities in our Storm Water Management Plan.

Sewer Fund

Travel & Training

Department	Number Approved	Name of Conference	Location	Approved Travel (01-0311)	Approved Training (01-313)
Sewer Operating	6	Pre-Fall Conference	Kearney NE	648	240
	6	APWA, AWWA, NWEA Fall Conference	Kearney NE	1,404	810
	6	LNM Wastewater Operations Snow Ball Conference	TBA	704	450
	2	Pumper Expo	Indianapolis IN	3,160	100
	6	Pesticide Applicator Training	Omaha NE	72	360
	4	Metam Sodium License	Kansas City KS	60	600
	1	AWWA Conference	Kearney NE	118	135
	2	Pool Operator License	Omaha NE	-	100
	2	CUES Camera Repair Training	Orlando FL	3,200	100
Subtotal				9,366	2,895

Sewer Fund

Grants

Department	Agency	Account	Total Grant Expenditure	Total Grant Revenue
Storm Water Management	NE Dept of Environmental Quality Storm Water Management Grant	Papio Partnership Fees & various efforts to improve storm water quality per management plan. Requires local match of \$4,816. Funds released in December and available for 18 months.	\$ 24,082.00	\$ 24,082.00
Subtotal			\$ 24,082.00	\$ 24,082.00
TOTAL GRANTS			\$ 24,082.00	\$ 24,082.00

These are anticipated grants; therefore the expenditures are not authorized unless the grants are awarded.

Sewer Fund

Grants

Department	Agency	Account	Total Grant Expenditure	Total Grant Revenue
Storm Water Management	NE Dept of Environmental Quality Storm Water Management Grant	Papio Partnership Fees & various efforts to improve storm water quality per management plan Requires local match of \$4816. Funds get released in December and are available for 18 months to use.	\$ 24,082.00	\$ 24,082.00
Sub-Total Storm Water Management			\$ 24,082.00	\$ 24,082.00
TOTAL GRANTS			\$ 24,082.00	\$ 24,082.00

These are anticipated grants; therefore the expenditures are not authorized unless the grants are awarded.