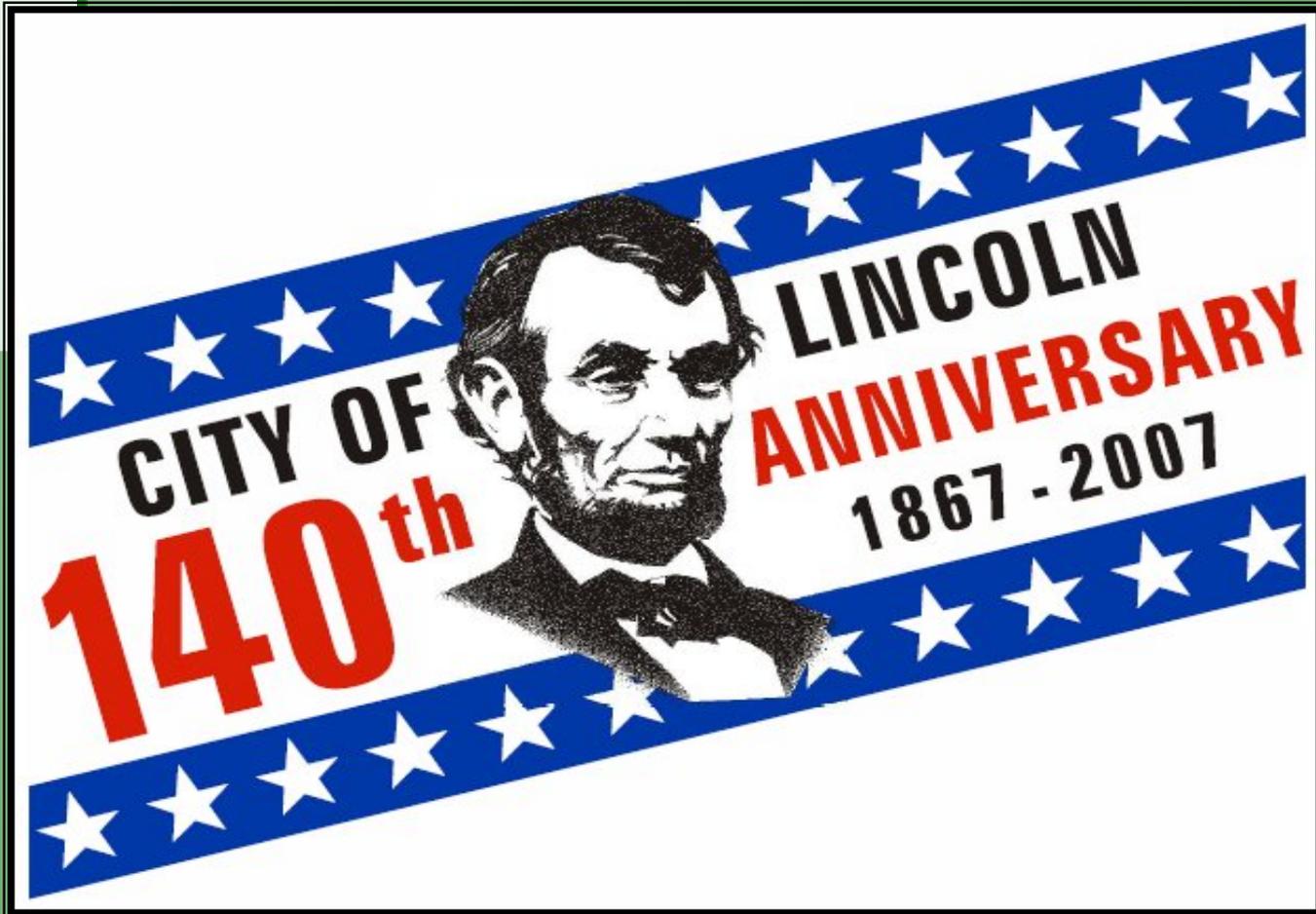


# City of Lincoln

## Mayor's Recommended Budget 2007-2008



Mayor Chris Beutler



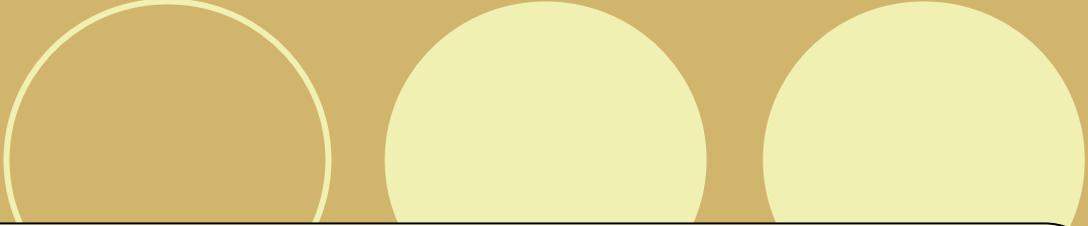
# Priorities in developing the budget

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- Maintain sound financial position
- Preserve public safety
- Keep Antelope Valley moving with Corps of Engineers
- Not raise property tax rate  
(except for voter-approved stormwater bonds)
- Solve the budget problem for the long term

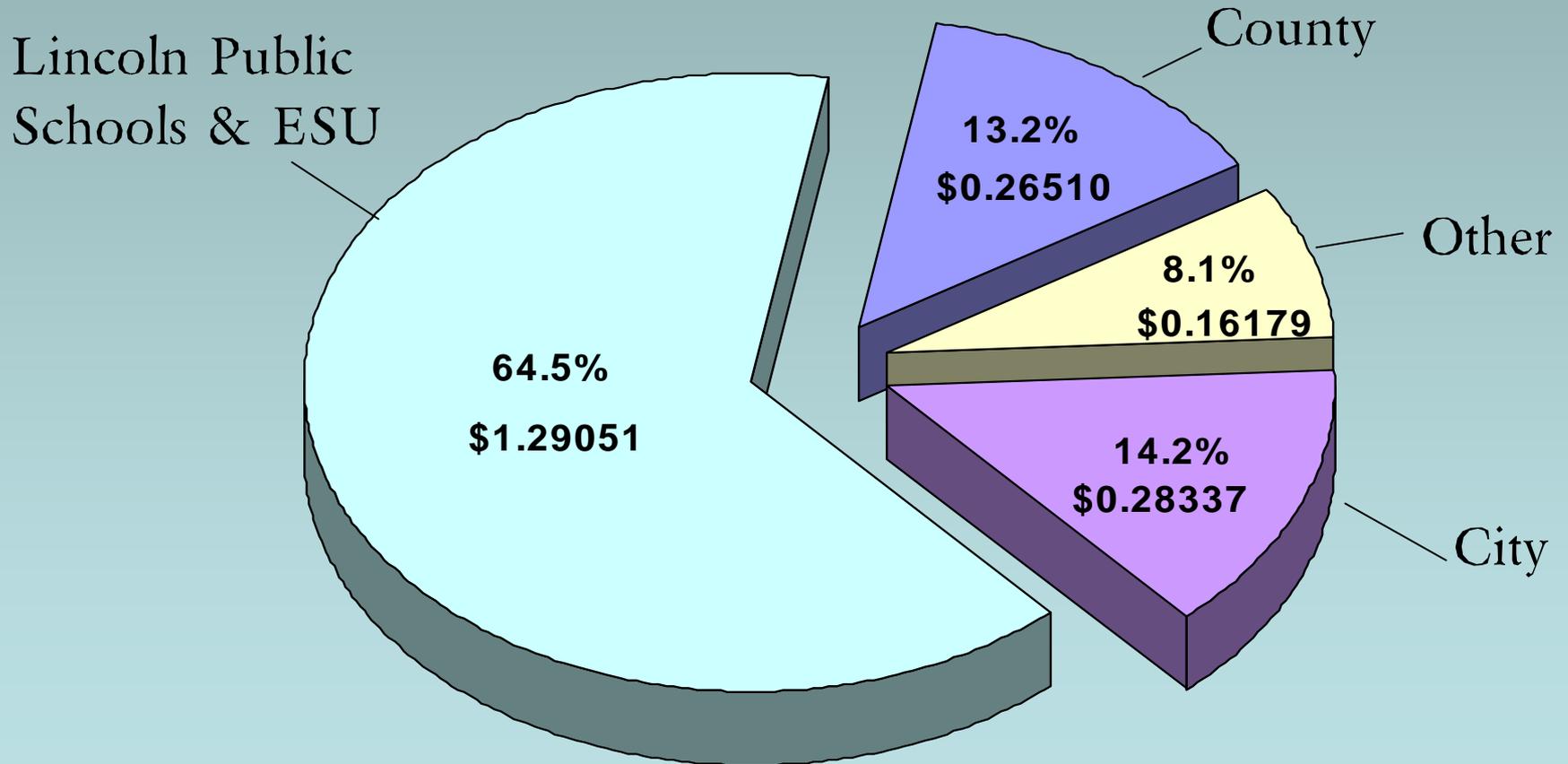
# Budget Challenges

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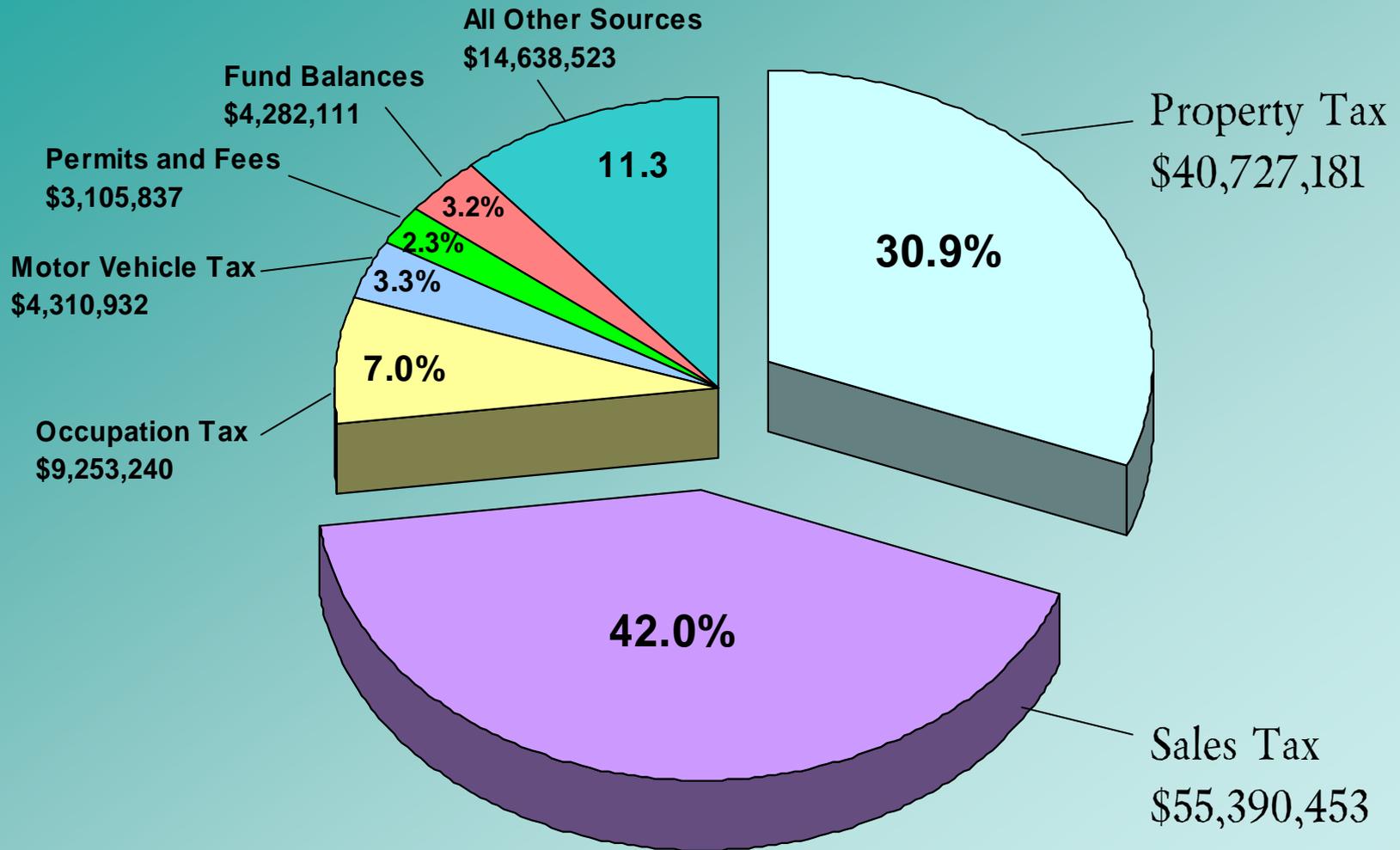


While the City may have budget challenges, the City's financial position is still sound.

# Current year breakdown of property tax levy

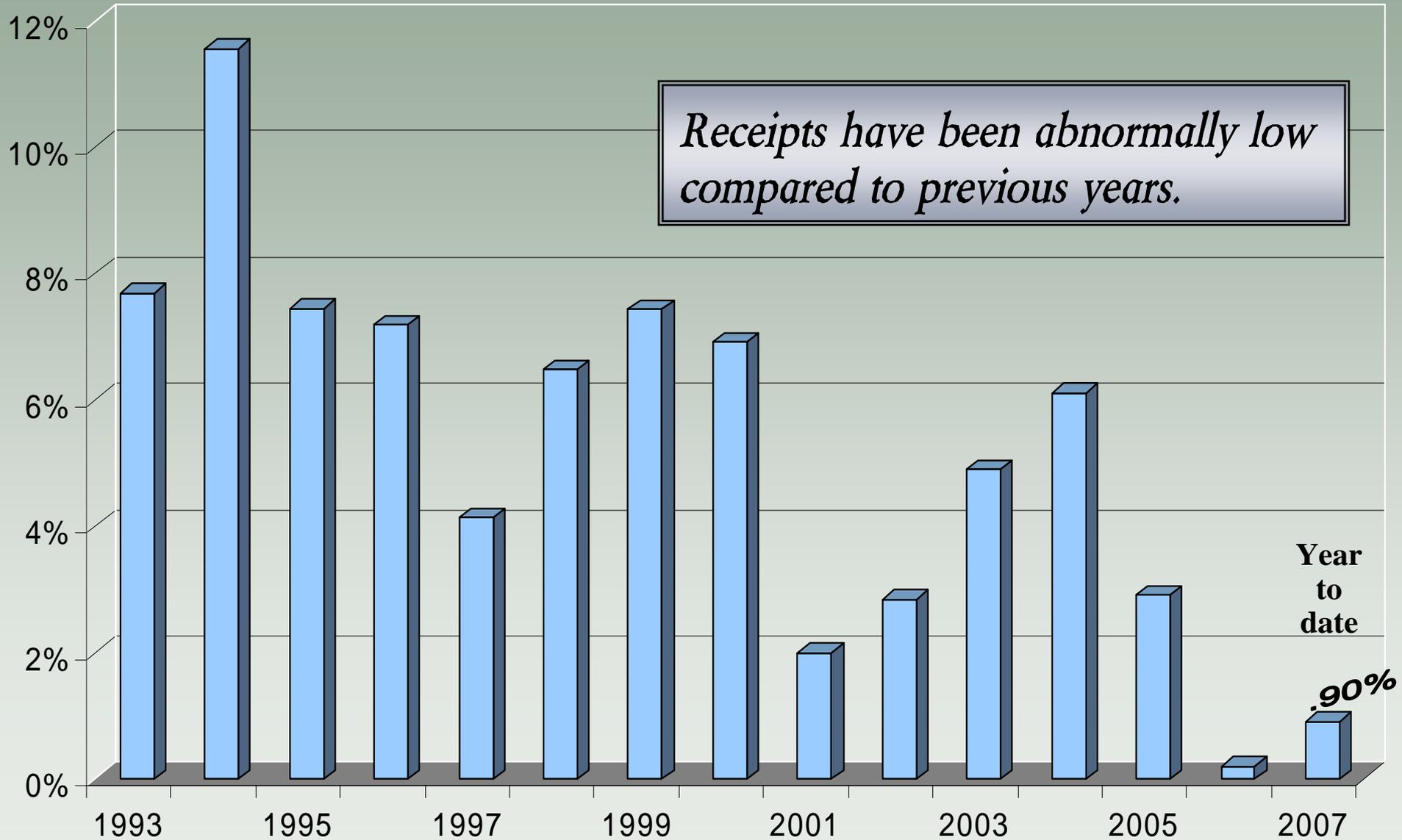


# Where the money comes from



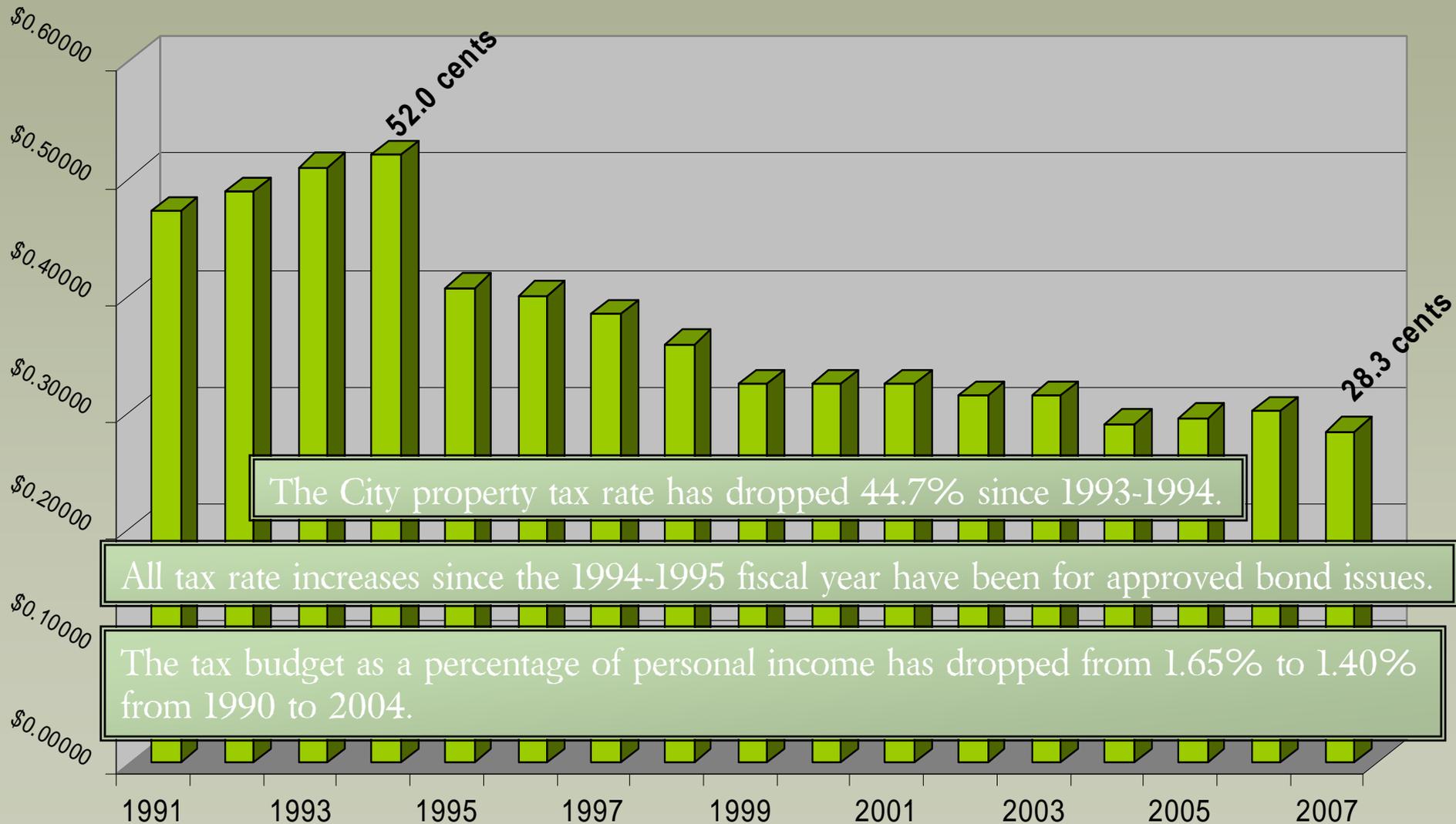
# Percentage change in sales tax

Fiscal year ending August 31<sup>st</sup> of each year



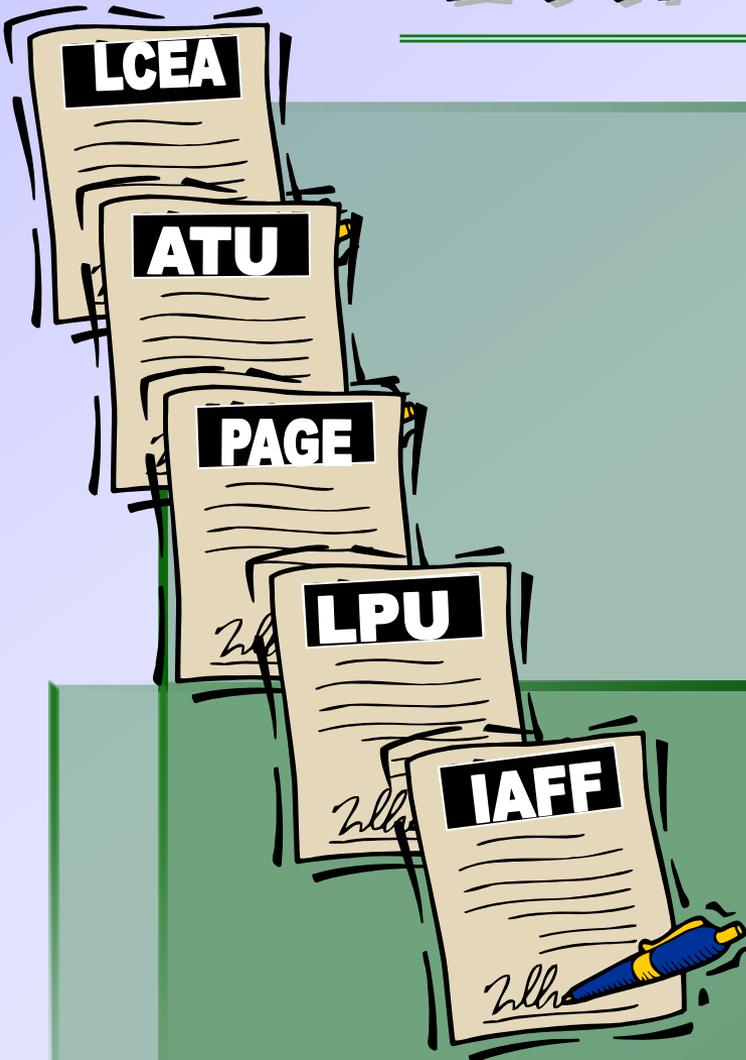
# City property tax rate

Fiscal year ending August 31<sup>st</sup> of each year



# 2007-2008 labor contracts

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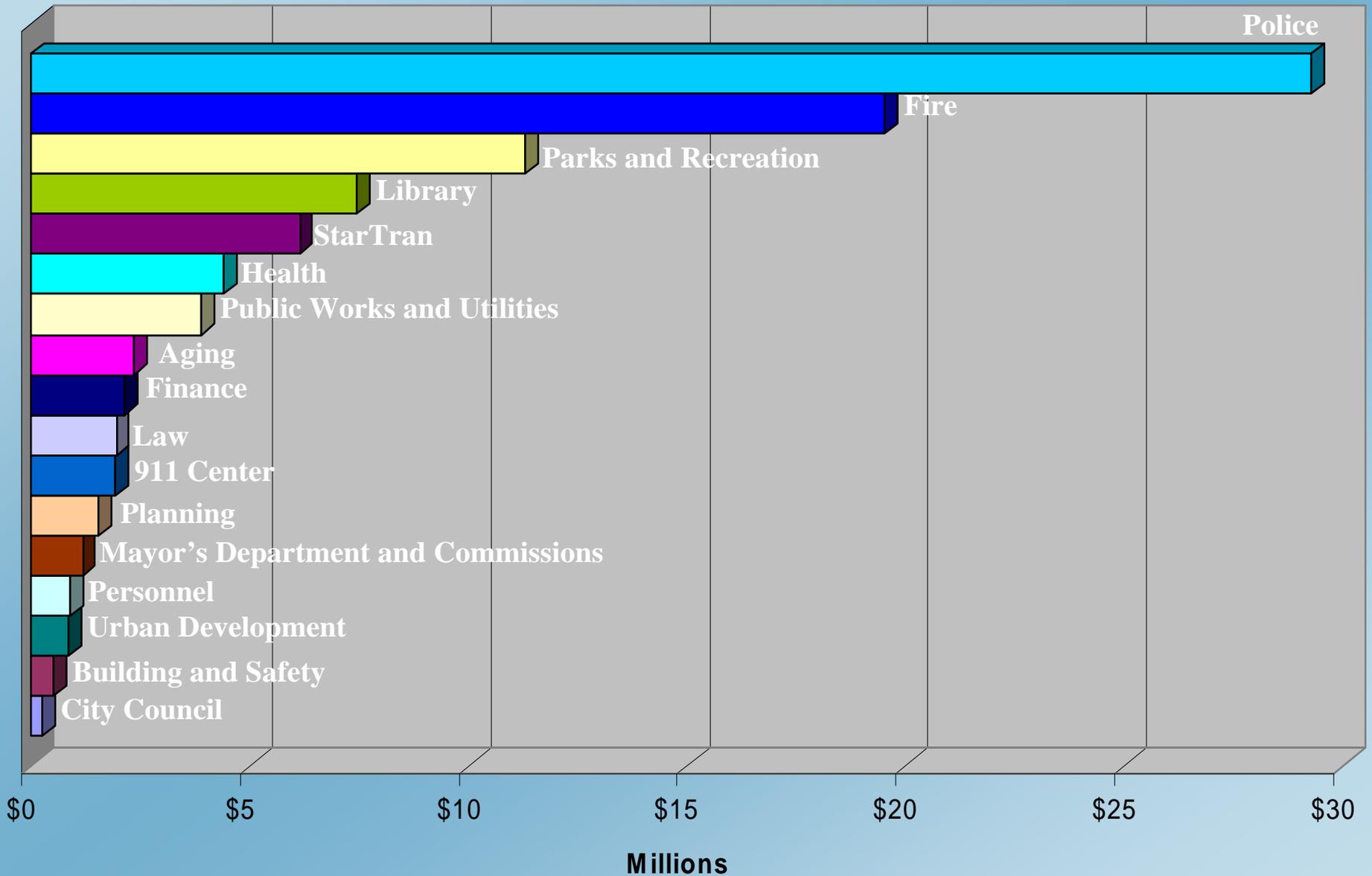
Five of the six union contracts were previously approved as multi-year contracts by the prior City Council and administration.

Pay and health care increases totaling \$2,984,065 for tax funds

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\$1,635,616 additional for non-tax funds

# *Tax dollars by department*



# City Staffing Comparison

1990-1991 through Mayor's 2007-2008 Recommended Budget  
in full-time equivalents (FTE's)

Fiscal Year	Fire, Police 911 Employees	Other City Employees	Total Full-Time Equivalents	Lincoln's Population	Area
1990-1991	589	1,435	2,024	191,972	63.5 sq. mile
2005-2006	741	1,504	2,245	236,146	82.6 sq. mile
2007-2008	733	1,435	2,168	241,410	88.3 sq. mile

## Percentage Change

Since 1990-1991	24.47%	0.00%	7.12%	25.7%	39.1%
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# City Staffing Comparison

1990-1991 through Mayor's 2007-2008 Recommended Budget  
in full-time equivalents (FTE's)

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Examples of facilities and services added since 1990-1991 staffed with non-public safety employees include:

- Star City Shores
- Ager Indoor Play Area
- Gere Library Branch addition
- Belmont Recreation Center
- Highlands Golf Course
- Highlands Swimming Pool
- Eiseley Library Branch
- Walt Library Branch
- 2,382 more park acres, a 64% increase
- Many new trail miles

# How the budget was balanced



The General Fund Capital Improvement Program (CIP) was reduced by:

- ◆ Cuts and delays of projects
- ◆ Only \$64,000 of General Fund revenue left, only for basic maintenance

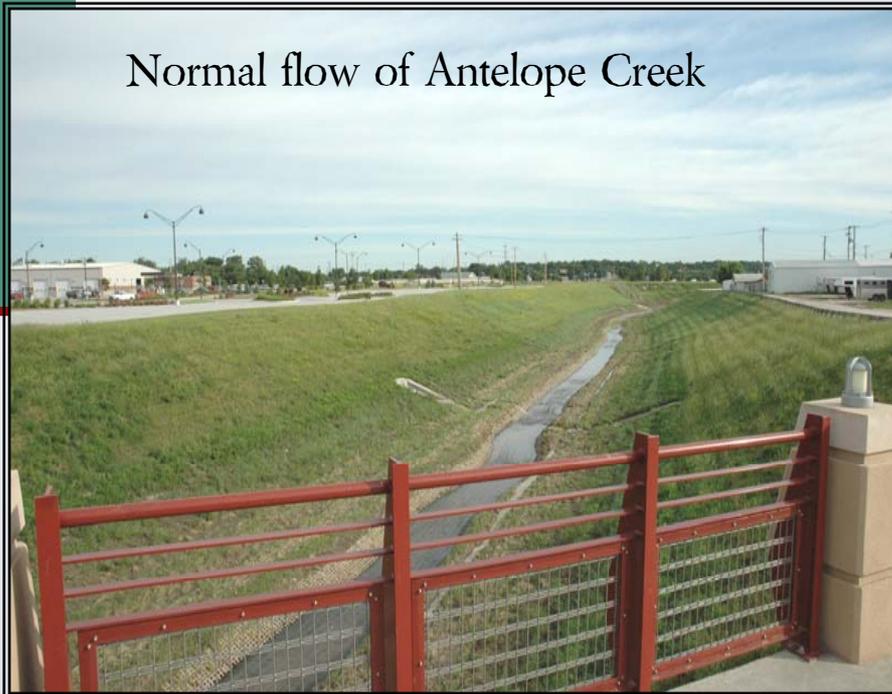


# How the budget was balanced

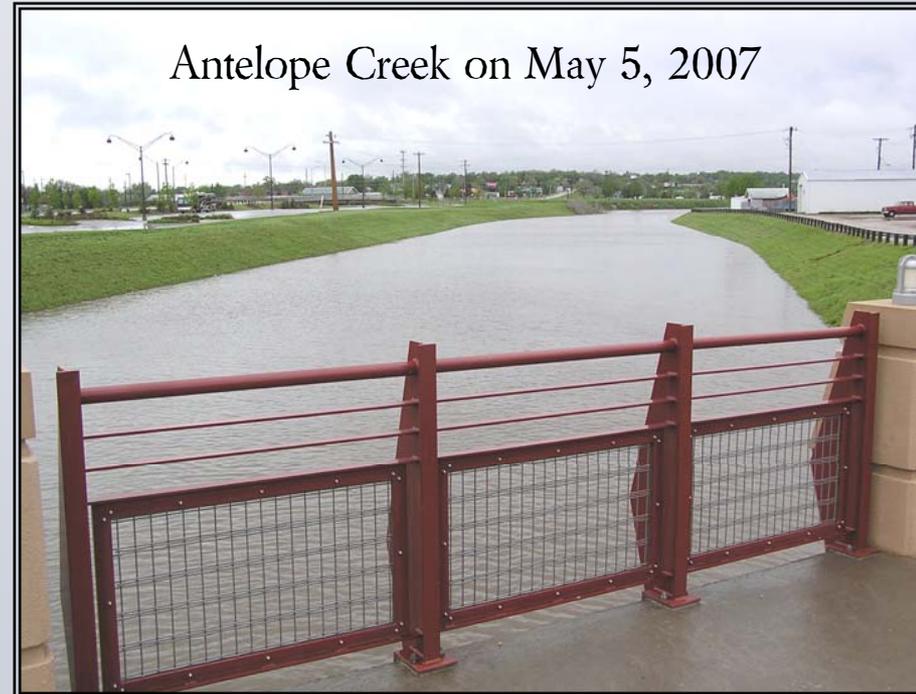
The General Fund Capital Improvement Program (CIP) was reduced by:

- Use of KENO funds to keep up with accelerated federal funding for Antelope Valley
- This ties up Parks and Recreation KENO funds for the next four years

Normal flow of Antelope Creek



Antelope Creek on May 5, 2007



# How the budget was balanced



- Reorganization of job functions using vacant positions and positions coming open due to the retirement incentives
- Finding other funding sources for existing programs where permissible
- Line item cuts involving supplies and services by departments to get to a 94% budget

# Fee increases

Several fee increases and programming changes in Parks and Recreation \$99,925

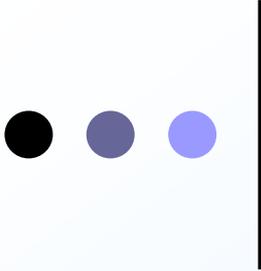
Library fines are increased \$72,128

Health Department fees increased, most are in Environmental Health \$26,614

Animal licensing fees are increased \$123,150

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Total new revenue sources \$321,817



# City staffing changes

Positions Eliminated	Full-Time Equivalents (FTE's)	Total (Savings) Added Cost	Tax Savings
<b>Classified</b>			
Hiring Freeze	(17.00)	(\$914,718)	(\$557,734)
Retirement Incentive	(17.96)	(917,787)	(465,745)
Other	(11.89)	(651,676)	(486,522)
<b>Unclassified</b>	<b>(16.15)</b>	<b>(349,508)</b>	<b>(268,708)</b>
<b>Total Reductions</b>	<b>(63.00)</b>	<b>(2,833,689)</b>	<b>(1,778,709)</b>
<b>Positions Added:</b>			
Classified	2.00	71,857	71,857
Unclassified	2.00	28,704	-0-
	<b>4.00</b>	<b>100,561</b>	<b>71,857</b>
<b>Total Change</b>	<b>(59.00)</b>	<b>(\$2,733,128)</b>	<b>(\$1,706,852)</b>

Department's discretionary cuts will likely result in more position reductions

# One-time and short-term funding sources

Transfer of Tax Sale Fund balance to General Fund \$718,000

Utilize 2002 stormwater bond balance for debt service to offset the need for additional property tax revenue \$830,000

Utilize nearly all of the StarTran Acquisition Fund balance for match for future bus purchases \$315,200

Utilize all of Building and Safety Fund balance generated from General Fund transfers to offset need for General Fund in 2007-2008 \$263,473

Utilize Municipal Infrastructure Redevelopment Fund (MIRF) revenue to offset General Fund revenue needs for the Capital Improvement Program for 2007-2008. \$780,000

In 2008-2009 \$520,000 will be available, but nothing will be available after that.

The total of these sources: \$2,906,673

# Tax-funded departments and divisions

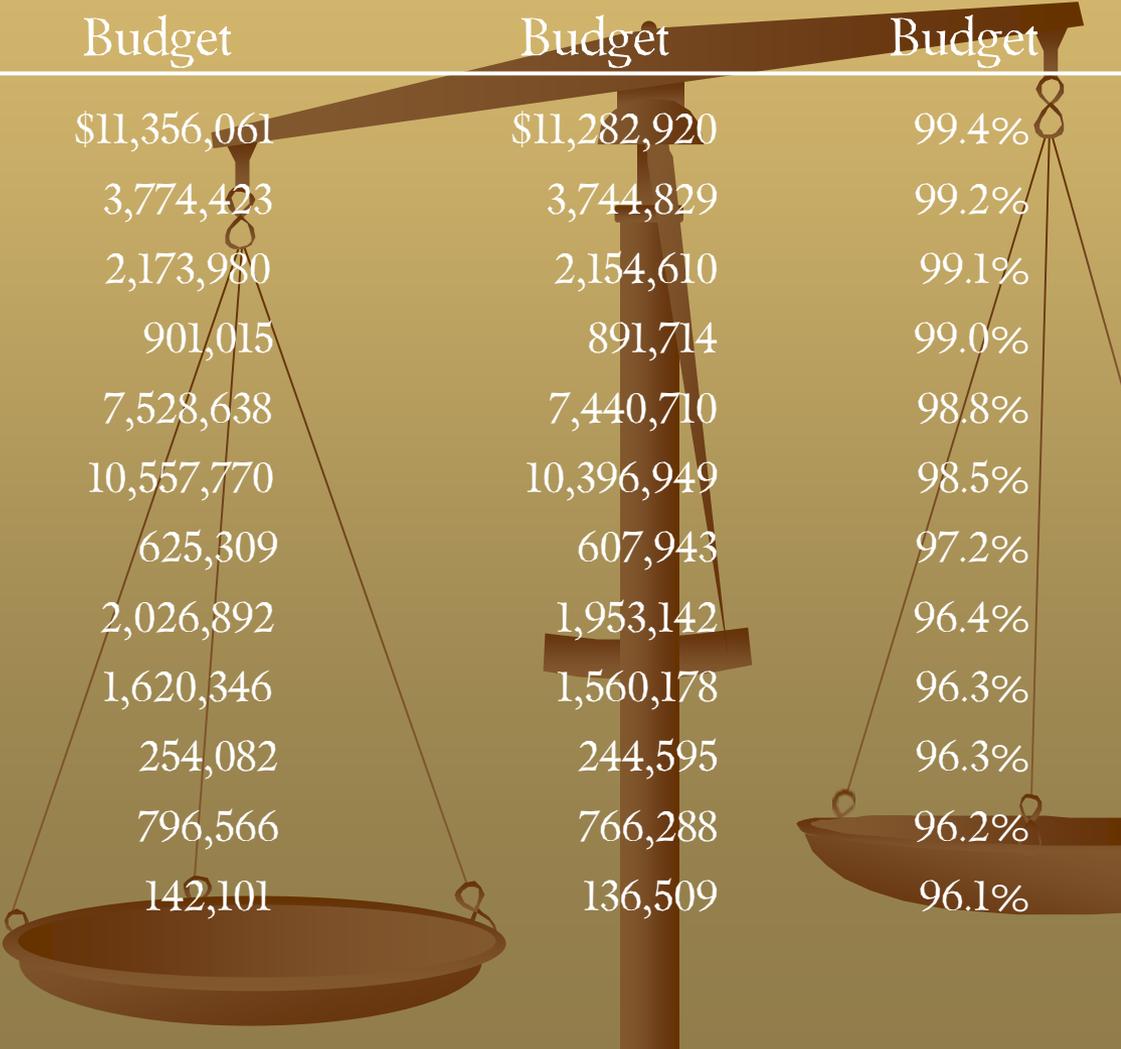
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More than 100% of fiscal 06-07 funding

Department/Division	FY 06-07 Budget	FY 07-08 Budget	Percentage of FY 06-07 Budget
911 Communications	\$3,167,915	\$3,296,898	104.1%
City Council	261,391	270,129	103.3%
Affirmative Action	65,069	66,815	102.7%
Fire and Rescue	19,069,536	19,527,199	102.4%
StarTran	9,061,496	9,203,012	101.6%
Police	28,992,736	29,267,674	100.9%

# Tax-funded departments and divisions

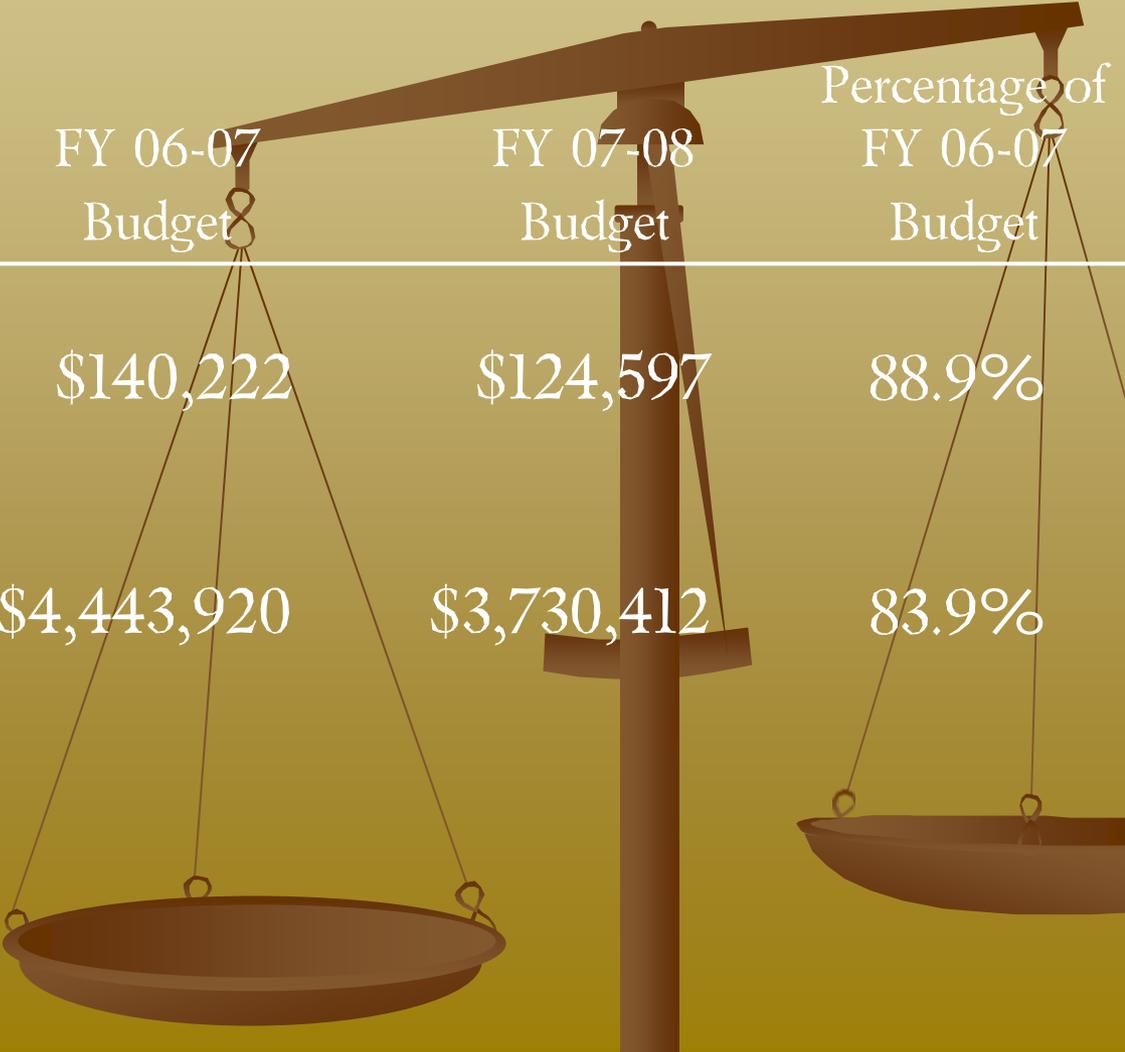
Between 95% and 100% of fiscal 06-07 funding



Department/Division	FY 06-07 Budget	FY 07-08 Budget	Percentage of FY 06-07 Budget
Parks and Recreation	\$11,356,061	\$11,282,920	99.4%
Public Works	3,774,423	3,744,829	99.2%
Finance	2,173,980	2,154,610	99.1%
Personnel	901,015	891,714	99.0%
Library	7,528,638	7,440,710	98.8%
Health/Animal Control	10,557,770	10,396,949	98.5%
Mayor's Office	625,309	607,943	97.2%
Law	2,026,892	1,953,142	96.4%
Planning	1,620,346	1,560,178	96.3%
CIC	254,082	244,595	96.3%
Urban Development	796,566	766,288	96.2%
Women's Commission	142,101	136,509	96.1%

# Tax-funded departments and divisions

Less than 90% of fiscal 06-07 funding



Department/Division	FY 06-07 Budget	FY 07-08 Budget	Percentage of FY 06-07 Budget
Human Rights (Shifted to grant funding)	\$140,222	\$124,597	88.9%
Aging	\$4,443,920	\$3,730,412	83.9%

# Parks and Recreation Department



- Reduction of two Arborists positions
- Reduces the number of street trees trimmed by 1,000
- Public tree pruning cycle extended from 13.9 years to 15.9 years

# Parks and Recreation Department



- Three park restrooms closed; nine restrooms open only with associated shelter rental or ball field use
- Reduction of one Equipment Operator
- Reduction of 8,050 hours of seasonal labor

# Parks and Recreation Department



Transfer 134 additional acres to minimum mow areas

It costs \$700 per acre to maintain neighborhood park land compared to \$200 per acre for minimum mow areas.

# Parks and Recreation Department

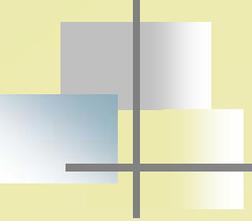


- Kuklin Pool to close after this season.
- Area to be served with new Trago Park sprayground - a walk-up facility with no admission fee.

# Parks and Recreation Department

## Reduction of Athletics Program Supervisor

- Discontinue 14 youth sports programs, camps and tournaments
- These programs had 1,050 participants during FY 2005-2006
- Programs had less participation, or are duplicated by another organization



# Libraries

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## Polley Music Library

- Due to declining trust income, reduced the Polley Music Library service hours from 35 to 20 a week
- Eliminated .5 Librarian position

## Library System

- Eliminated 4.2 additional positions

# Public Works and Utilities

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## Tax Funds

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- Reduced painted pavement markings by half
- Reduced \$26,000 in contractual cleaning/improvements in the stormwater drainage system
- Moved the Street Maintenance Coordinator from General Fund to Engineering Revolving
- Eliminated one Office Specialist, and two Summer Seasonal Workers in Traffic Engineering
- Eliminated .38 Internship Trainee in Watershed Management

# Public Works and Utilities

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## Non-Tax Funds

- Additional \$125,000 is added for durable street markings
- Eliminated 10 positions throughout the department in non-tax funds

# *StarTran*

- Added two Bus Operators to provide service to west Lincoln during the Harris Overpass construction
- Eliminated HandiVan/Brokerage service from 7 to 10 p.m.
- Eliminated the night customer phone service for schedule information

# Fire and Rescue

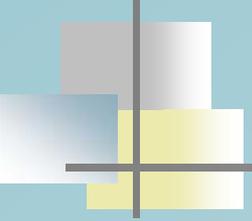
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- Eliminated one Delivery Clerk position
- Reduced equipment purchases by \$115,000 from the Urban Search & Rescue Fund
- Reduced collection fees of \$84,000 with the new contractor provider from the EMS Enterprise Fund
- An additional department's discretionary cut of \$250,000 is made

# Health Department

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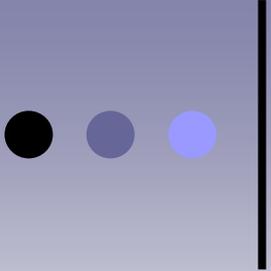
- Department staffing is reduced by 5.5 positions through use of the hiring freeze, retirement incentives and shifts to grant funding
- Service reductions which will result in:
  - 530 fewer dental patient visits
  - Longer waiting periods for dental services
  - Reductions in the Indoor Air Program



# Lincoln Area Agency on Aging

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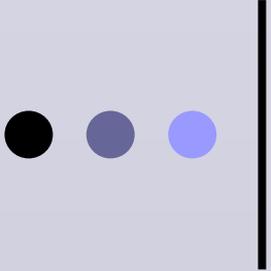
- Eliminated the Lifetime Health program
- Made the temporary closing of Calvert ActivAge Center permanent
- Eliminated 5.83 positions
- An additional department's discretionary cut of \$444,444 is made



# Police Department

- The following 5.75 positions are eliminated:
  - Assistant Chief of Police
  - Administrative Officer
  - Police Records Technician
  - Office Specialist
  - 1.75 Public Service Officers for the Parking Enforcement Program
- An additional department's discretionary cut of \$190,000 is made





# Fund balance policy

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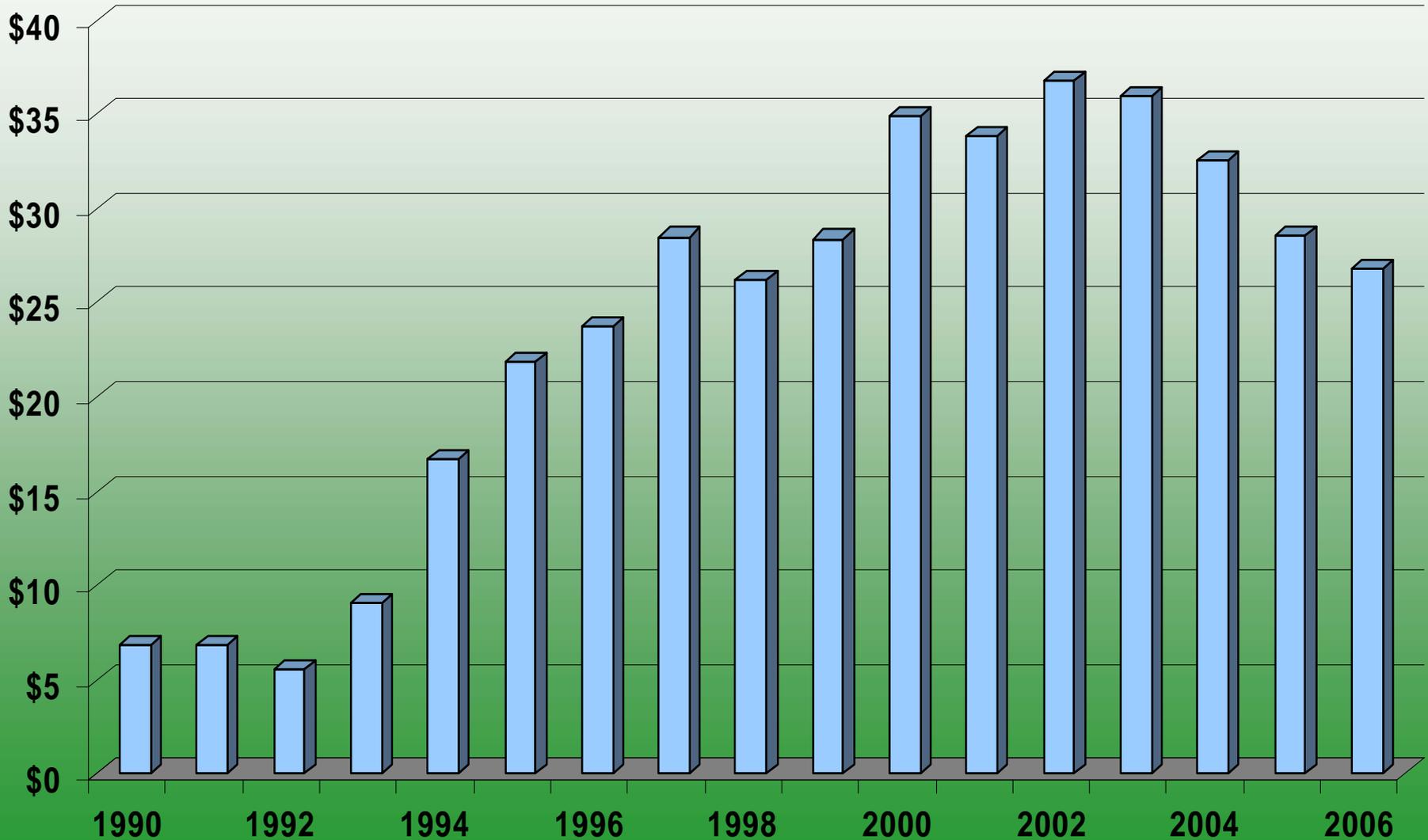
Helps keep balances at least 15% of projected budget five years into the future

Helps maintain bond ratings and complies with our officially adopted policy

# Unreserved General Fund balance

Fiscal year ending August 31<sup>st</sup> of each year

*Millions*

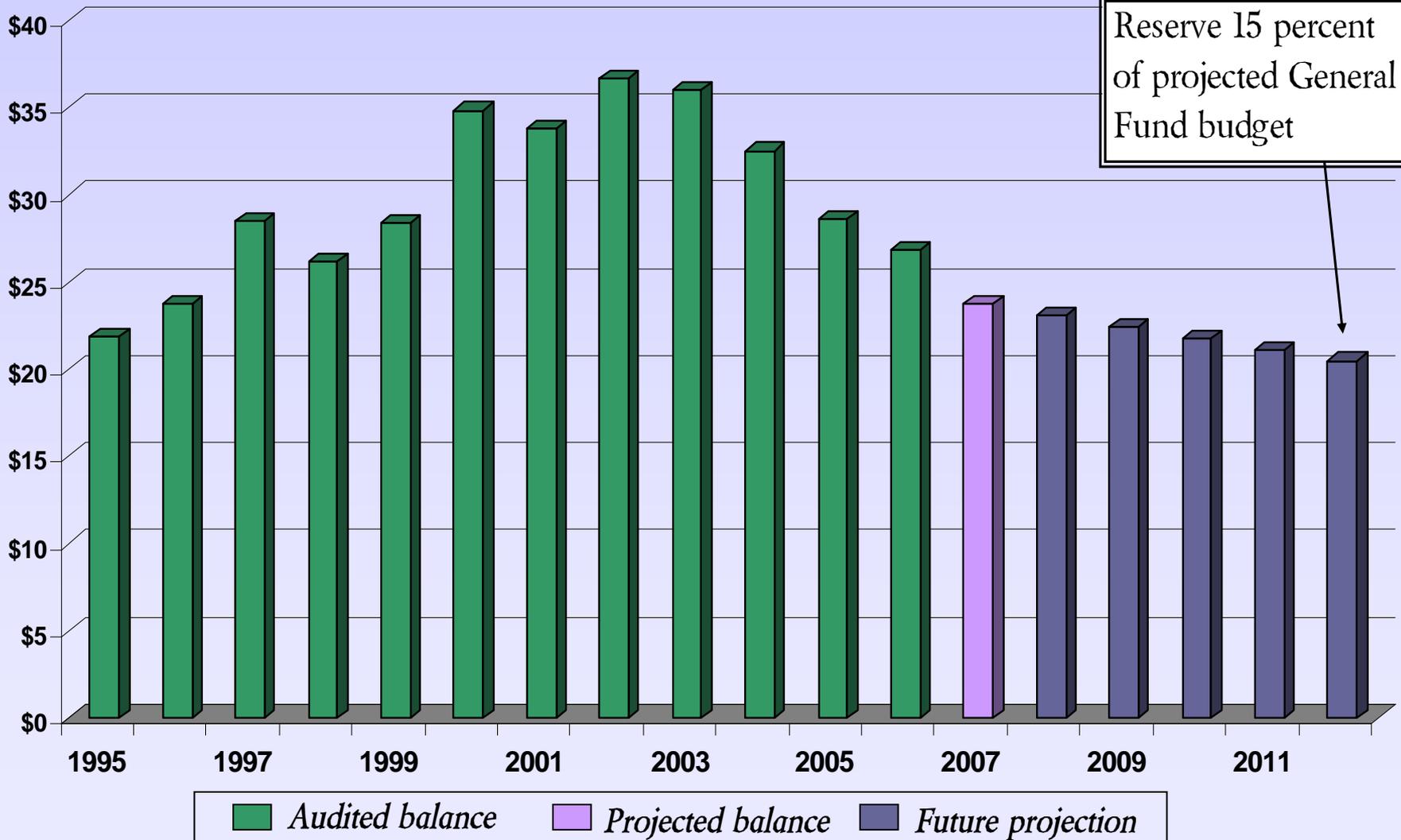


# Audited General Fund balance

History and projections over six years

Fiscal year ending August 31<sup>st</sup> of each year

Millions



# Water & Wastewater rate increases

These rate increases have been anticipated as part of the past Capital Improvement Programs.

- Average residential water and wastewater bill will increase \$2.46 monthly
- This is to be effective for bills going out in February 2008
- Funds operations and maintenance, Capital Improvement Program and bonding



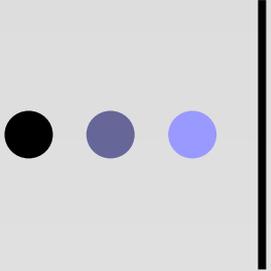
# Impact on an average home

Property valued at \$147,750



The only increase is for voter-approved bonds

	<u>2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Estimated Change</u>
Property tax bill-Mayor's Budget	\$418.68	\$418.32	- \$0.36
Plus voter-approved 2007 stormwater sewer bonds		\$6.63	+ \$6.63
Total property tax-City Services	\$418.68	\$424.95	+ \$6.27



# Highway Allocation Bonds

From Ordinance 18842, Section 28 authorizing issuance of \$27 million of Highway Allocation Bonds passed November 13, 2006...

“**The Council hereby declares its intent to** (a) budget, appropriate and pay from the City’s General Fund certain expenses...in connection with streets and street improvement projects in an amount not less than the debt service on the Bonds becoming due in such fiscal year and **(b) adjust the City’s property tax levy in an amount sufficient to pay such expense.** The Council further declares its intent to (1) phase in such actions equally over a three year period beginning with the 2007-08 fiscal year and (2) continue such actions for so long as any Bonds are outstanding.”

# Impact on an average home

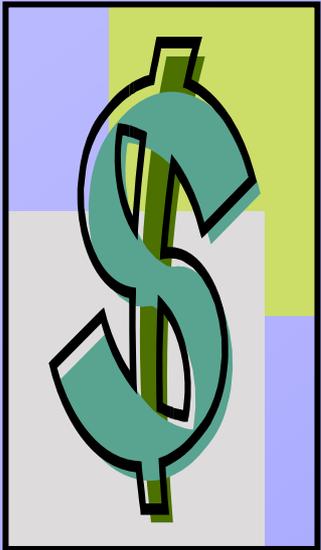
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	<u>2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Estimated Change</u>
Property tax bill-Mayor's Budget	\$418.68	\$418.32	- \$0.36
Plus voter-approved 2007 stormwater sewer bonds		\$6.63	+ \$6.63
Total property tax-City Services	\$418.68	\$424.95	+ \$6.27
Plus Highway Allocation Bond Debt Service Replacement		\$6.95	\$6.95
		\$431.90	\$13.22

# Summary of changes in the budget

## Total tax-funded budget

Mayor's Recommended Budget 2007-2008	\$131,708,277
Council-Adopted 2006-2007 Budget	<u>\$129,968,597</u>
Dollar difference	\$1,739,680
Percentage change	+ 1.34%
Less inflation rate	<u>- 2.89%</u>
Tax funded government reduced by	- 1.55%



# Mayor's Recommended Budget 2007-2008

- Tax funded government reduced by 1.55%
- Staff reduced by 63
- City grew by 3.0 square miles
- Population increased by 2,197
- Does not increase existing property tax rate except for voter-approved bonds
- Follows the Council-adopted policy for maintaining General Fund balances that support the City's AAA credit rating

