

City of Lincoln

Mayor's Recommended Budget 2008-2009



PRIORITY LINCOLN:

We're listening.



Outcome-based budgeting

In early 2008, the City began a transition to outcome-based budgeting.

This new approach is being used to present the budgets for four departments, to help focus on achieving desired goals for the future.

Police

911
Center

Fire

Health



Budget Outcomes

The City of Lincoln's 2008-2009 Mayor's Recommended Budget was developed to achieve the following community outcomes:

Safety &
Security

Economic
Development

Livable
Neighborhoods

Healthy People
& Productive
People

Effective
Transportation

Environmental
Quality

Accountable
Government

Destination
Lincoln

Safety and Security Outcome

Example: Police Department

Maintain low crime rate:

- ❑ Minimize the impact of crime and fear on the lives of Lincoln residents.

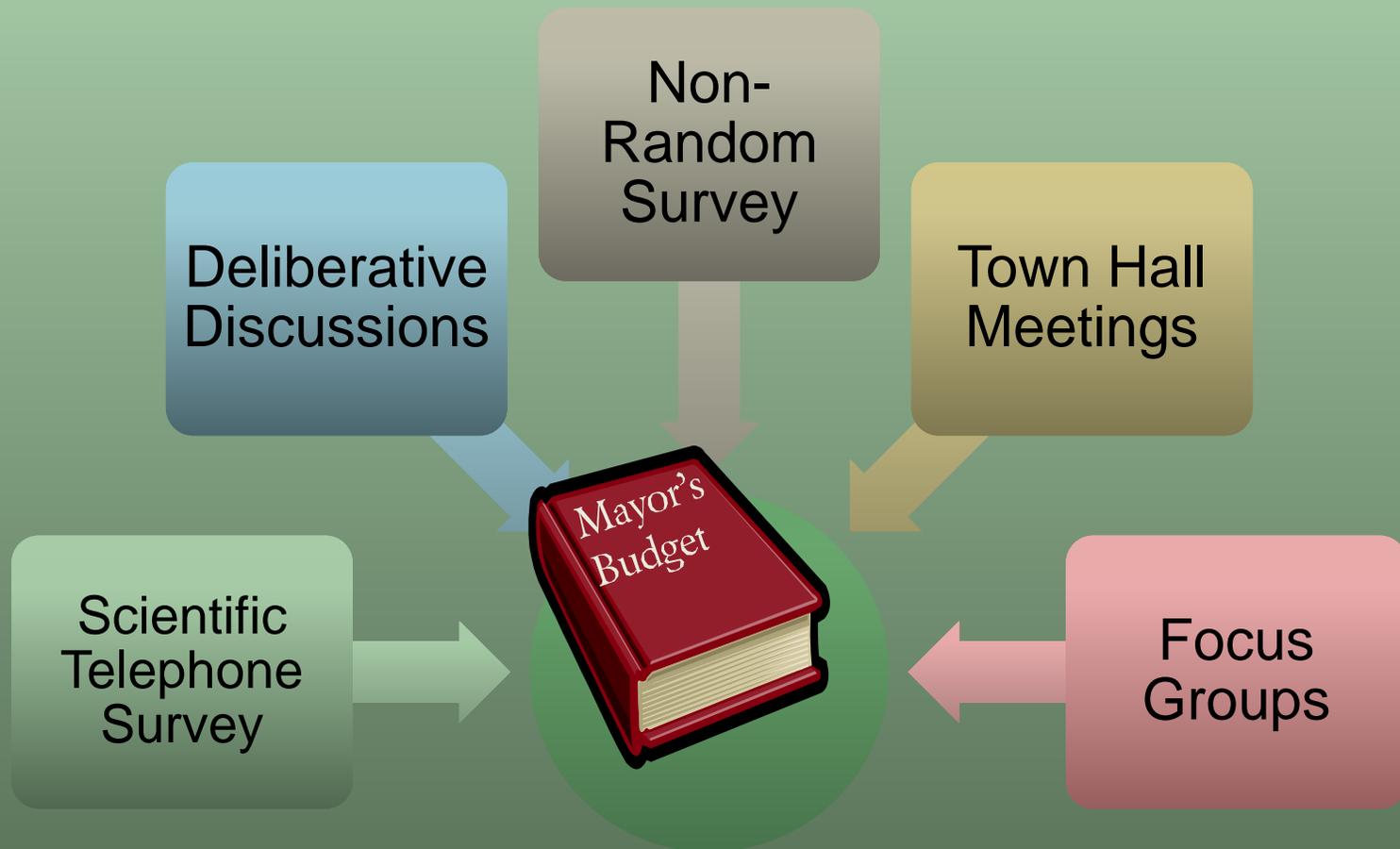
Methods for achieving the goal:

- ❑ Police patrol, criminal and narcotics investigations, intelligence gathering and analysis, evidence processing and forensic investigation, arrests and criminal citations, crime analysis, crime prevention programs, court testimony and preparation.

Measurements:

- ❑ Maintain a violent crime rate of no more than 555 offenses per 100,000 residents (25% below the average for all cities within 50,000 of Lincoln's population).

Citizen-driven budget process



Nearly 2,000 citizens provided budget input.

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Citizen Input

City Response

- ◆ Safety and security → ◆ Did not reduce staffing in Police, Fire or 911
- ◆ Greater efficiency → ◆ Restructured departments
- ◆ New ways of doing business → ◆ Transitioned human services to non-profits
- ◆ Economic growth → ◆ Created Fast Forward Trust Fund, Development Services Center, and home ownership stimulus programs

Priorities in developing the budget



Solve the budget for the long term, with more expenditure cuts than revenue sources.



Incorporate PRIORITY LINCOLN results into the Mayor's budget.



Reject use of one-time money for ongoing operations.



Preserve public safety.



Increase efficiencies through restructuring.



Address fixing structural imbalances between revenues and expenditures.

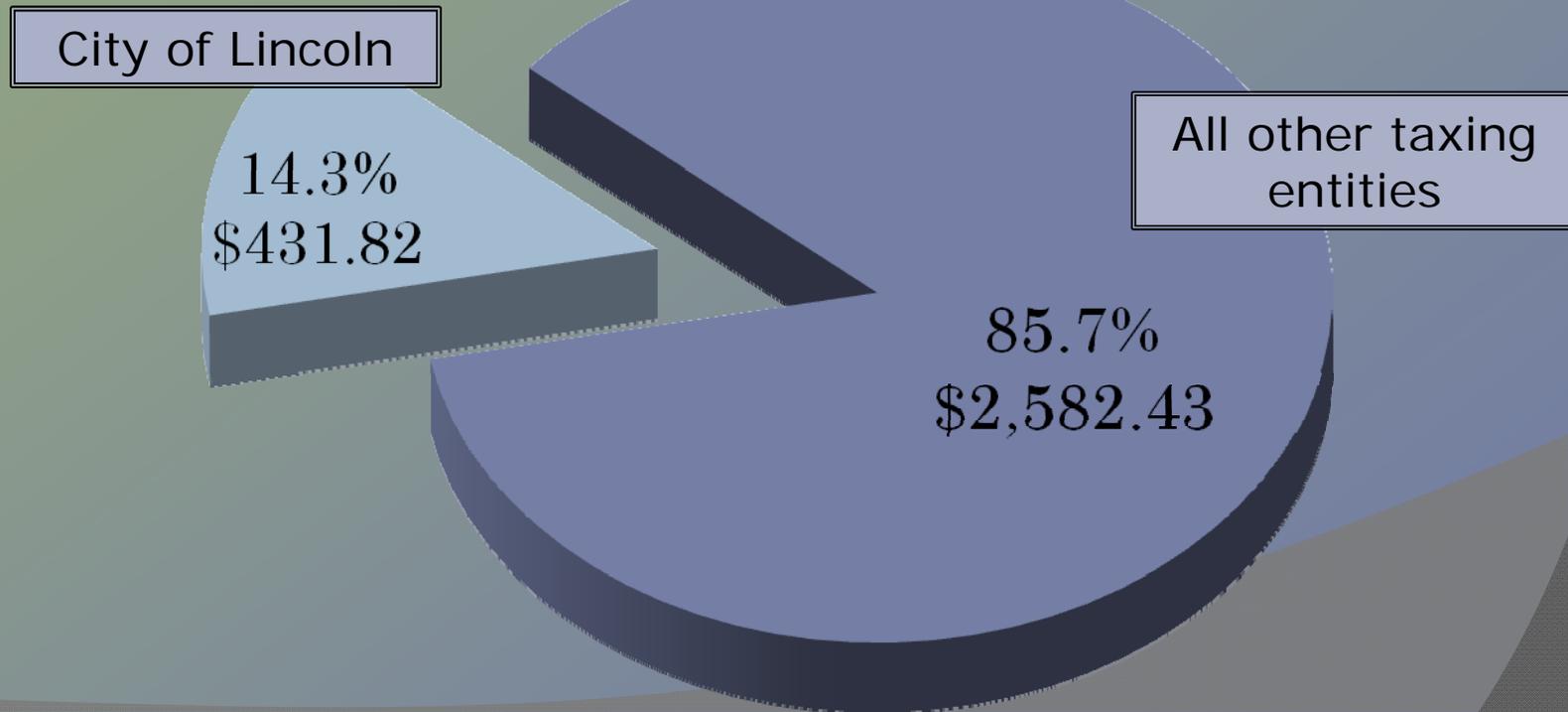


Prevent further decay of community assets and services.

We can no longer cut our way to prosperity.

Current year breakdown of property tax levy (2007-2008)

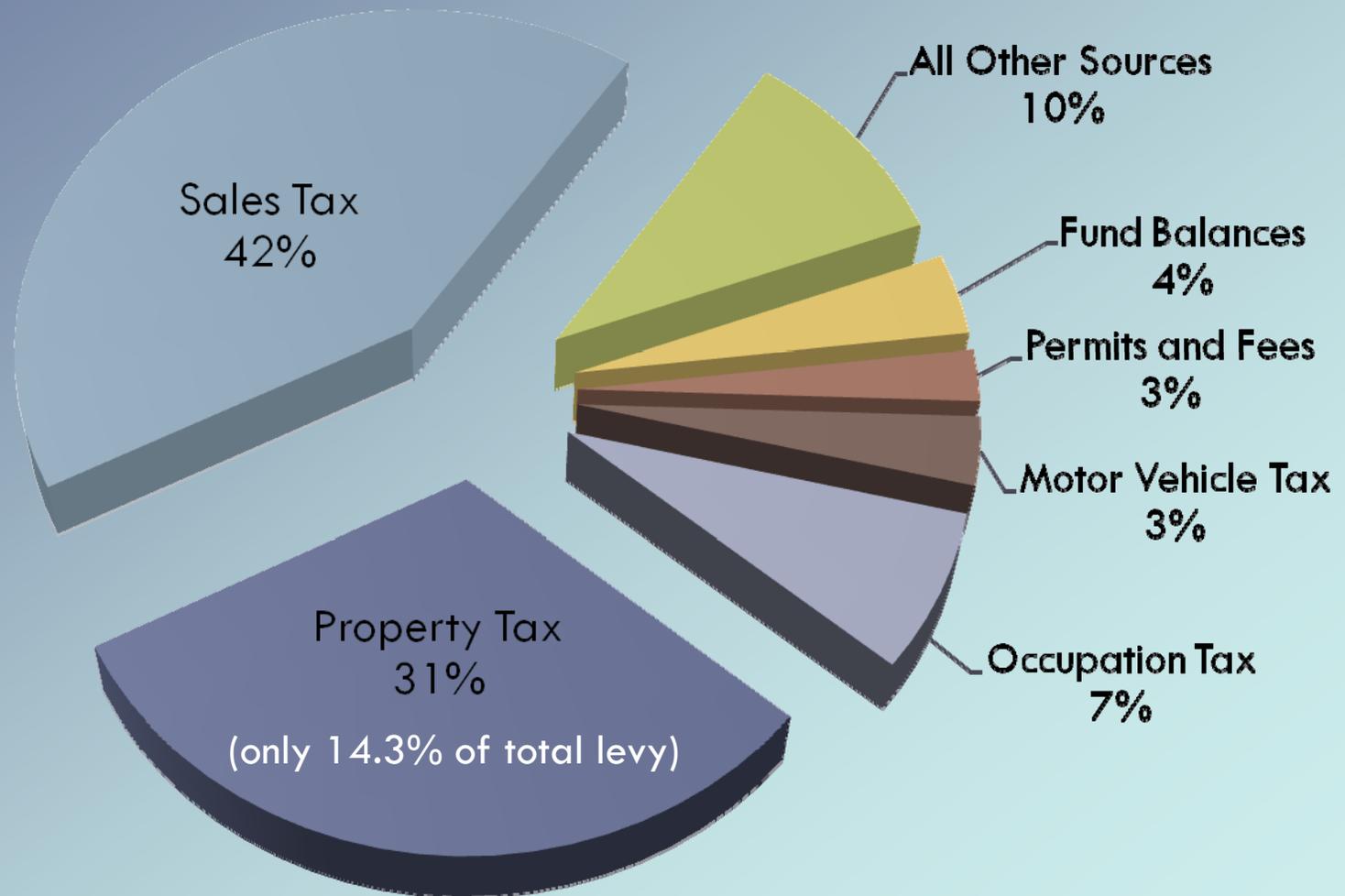
On a property valued at \$150,000



Where the money comes from

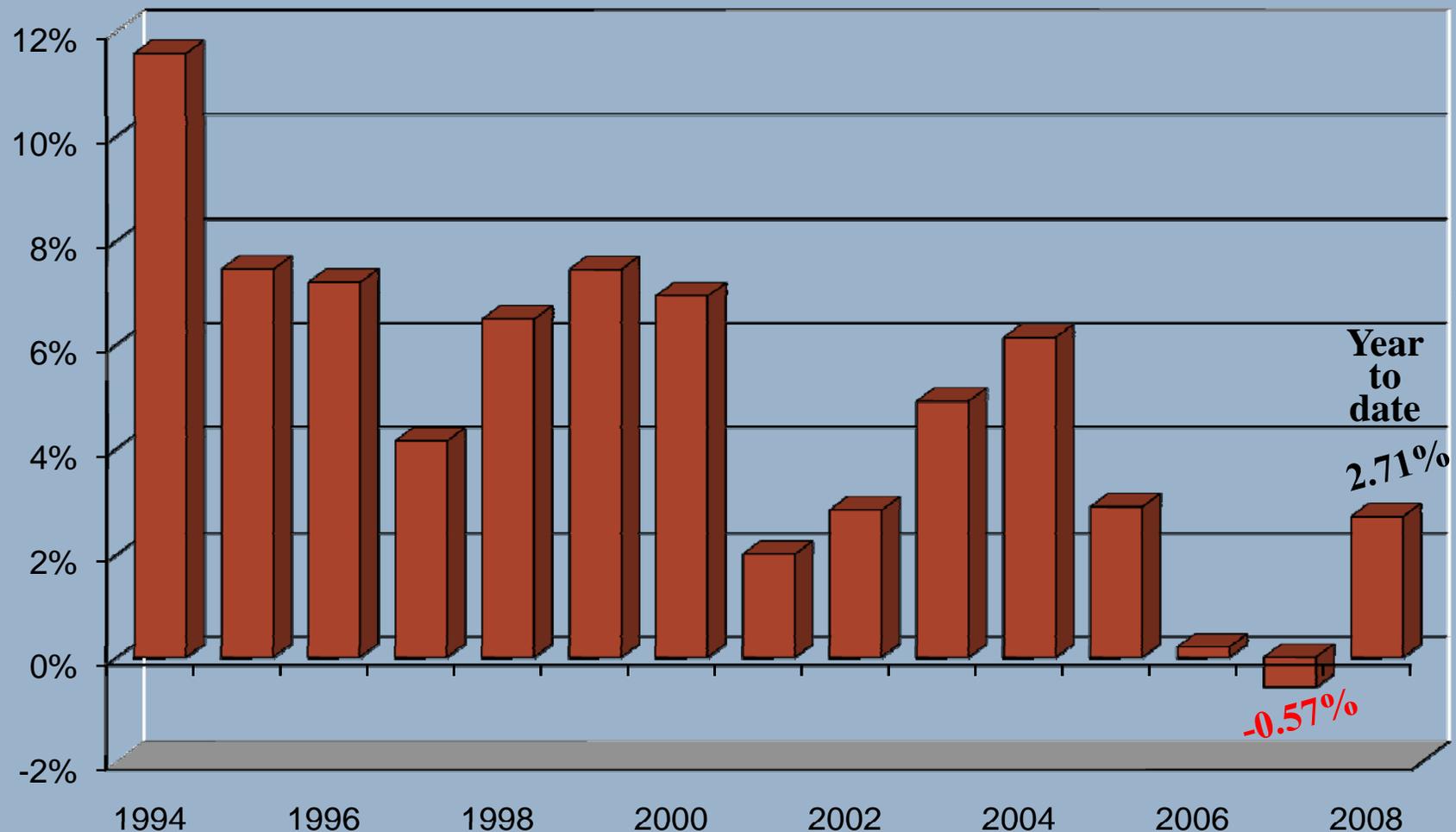
Mayor's Recommended Budget 2008-2009

Revenue Sources



Percentage change in sales tax

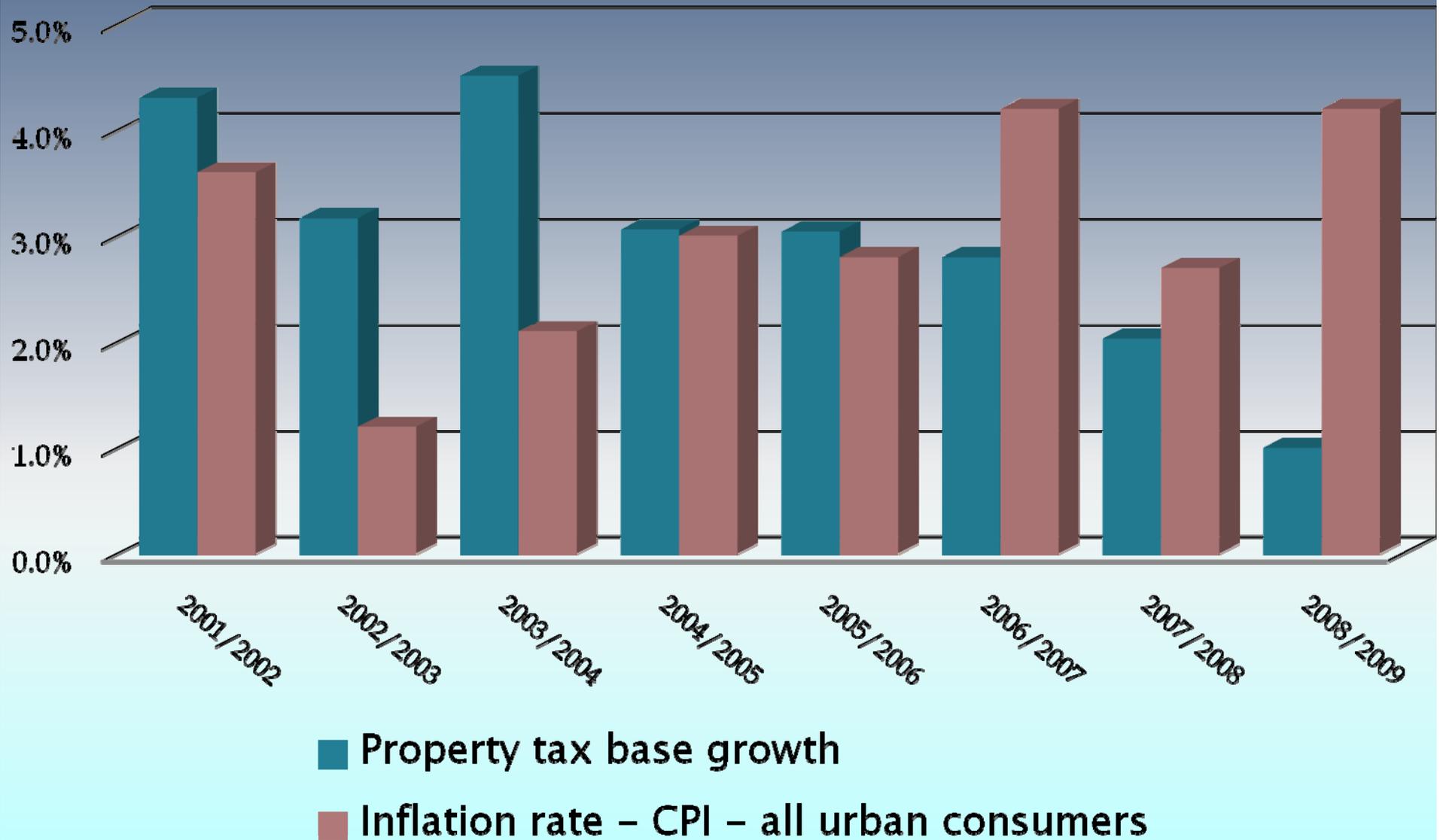
Fiscal year ending August 31st of each year



Receipts have been abnormally low in recent years compared to earlier years.

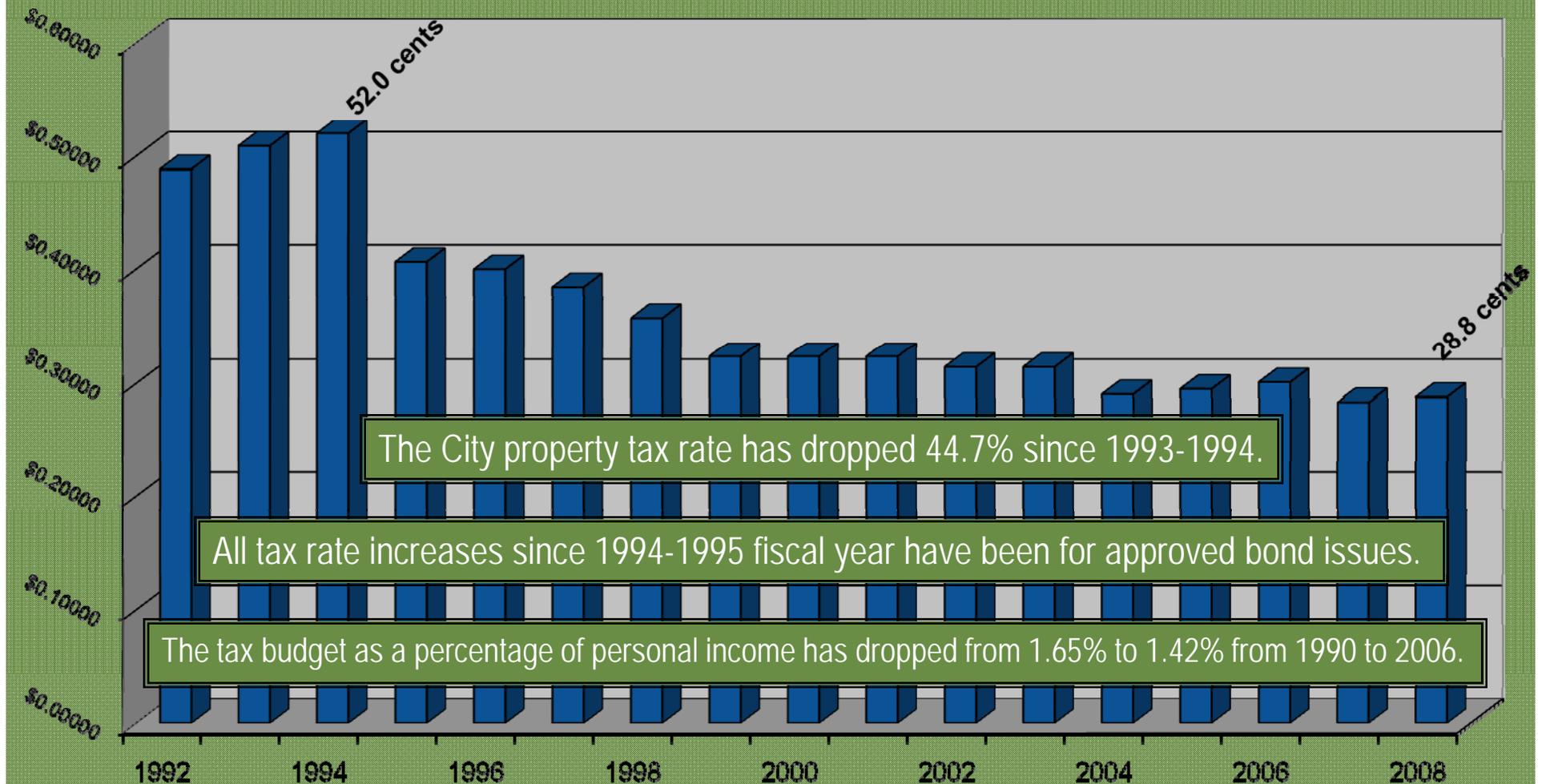
Slowing growth of property tax base

(Does not include revaluations)



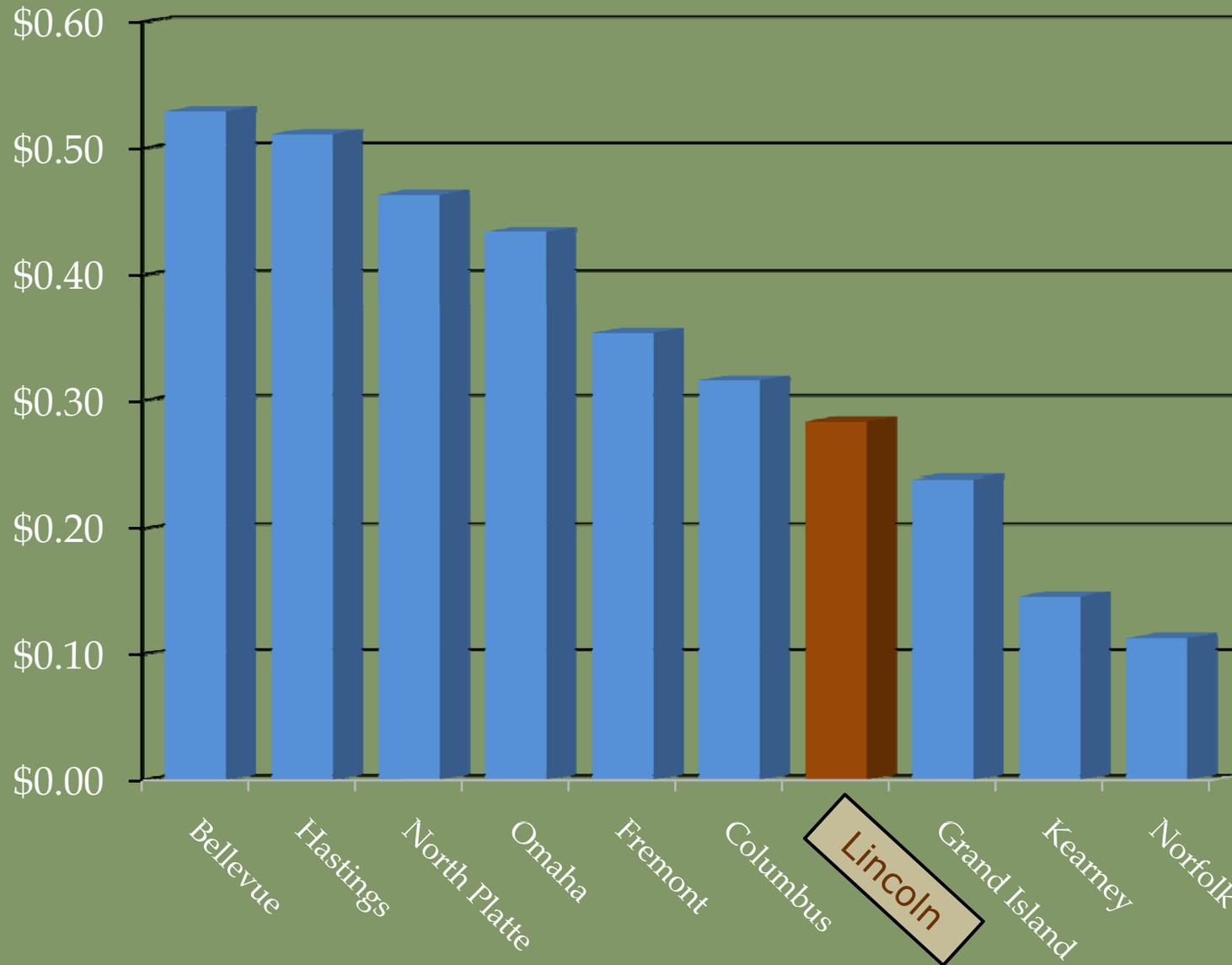
City property tax rate

Fiscal year ending August 31st of each year



Property tax levy rates for top ten largest Nebraska cities

2006-2007 fiscal year



Why our costs go up

The inflation rate since May 2007 is 4.2%.

The inflation rate over the last six months is an annualized 6.1%.

Unfunded mandates from the Federal and State governments

Fuel costs – The City burns about 1.2 million gallons.

Utility cost increases above inflation rate.

Salaries and benefits

Fuel Costs



June 2004



June 2007



June 2008

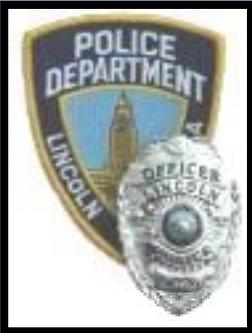
City diesel fuel prices are up 68% since July 2007.

City unleaded fuel prices are up 37% since July 2007.



Photo courtesy of *Lincoln Journal Star*

The City uses about 700,000 gallons of diesel each year.

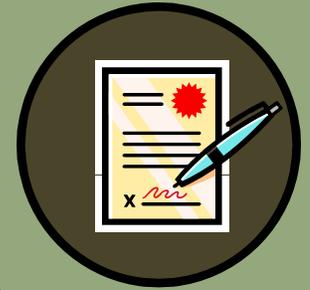


The increased annual cost of City operations as a result of fuel price increases in the last twelve months is about \$1.7 million.



The City uses 500,000 gallons of unleaded fuel each year.

2008-2009 labor contracts



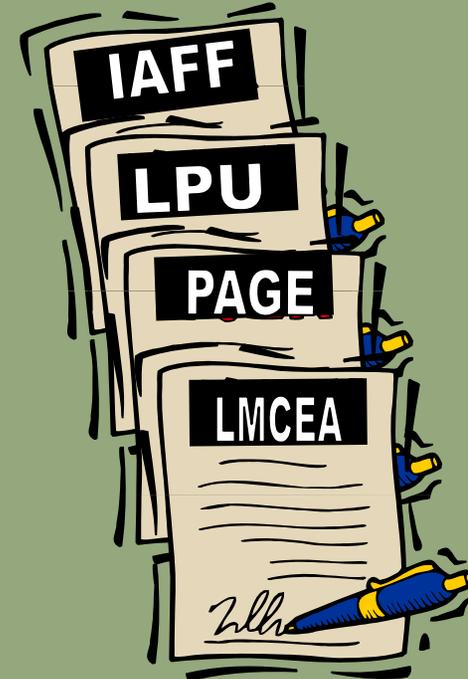
Previously
Signed Contracts



Tentative
Contracts



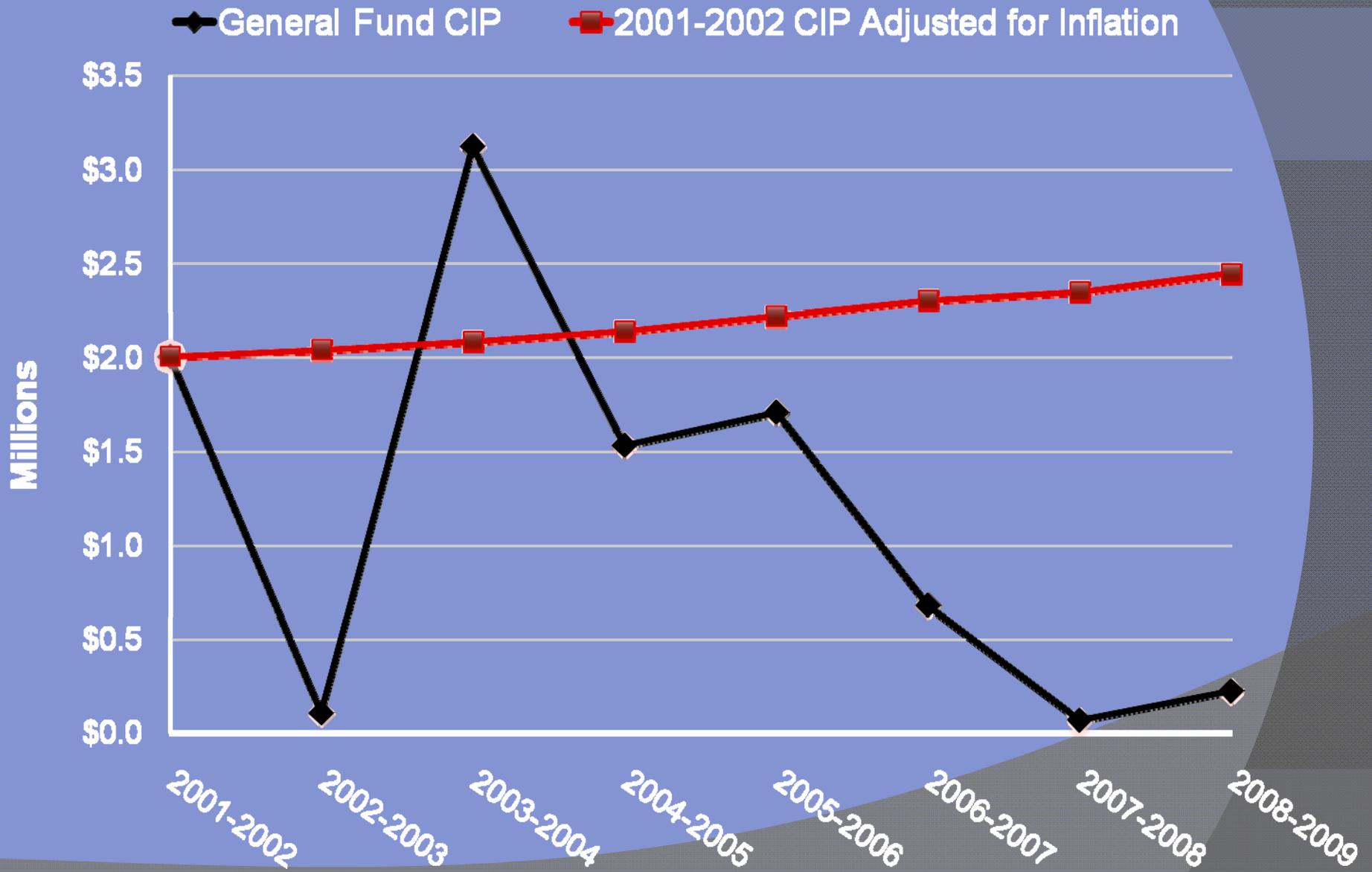
Pending
Contracts



Inflation rate is 4.2%.

2008-2009 tentative increase for all funds is \$3,042,000 or 2.39%.

General Fund Capital Improvement Program



User fee increases



Fee increases and programming changes in Parks and Recreation	\$53,900
Increased Planning fees	\$25,000
Increased Health Department fees (most in Environmental Health)	\$41,100

Total new revenue sources	\$120,000
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One-time and short-term funding sources

One-time and short-term sources can't sustain ongoing programs and services.

The use of these revenue sources in past years has significantly contributed to current budget problems.

No more gimmicks.

Fast Forward Trust Fund

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Economic Opportunity was the second highest budget outcome priority identified in the scientific telephone survey and the deliberative discussion.

Two uses for this fund:

- Development Services Center implementation
- Economic opportunities



StarTran service is reduced by \$589,000.

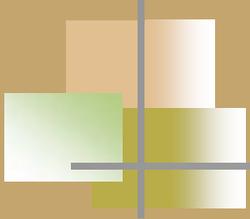
StarTran

- Non-peak service for most routes is eliminated for three hours.
- Eligibility for the “Ride for Five” programs is expanded to increase ridership. Reduction of revenue is only \$42,000.
- An additional \$382,000 is included for increased fuel costs.

Community Learning Center Before- and After-School Programs



Services were largely maintained by having non-profit partners take larger roles, as identified by PRIORITY LINCOLN.



Libraries



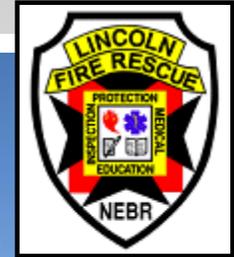
Bennett Martin Public Library

- Evening hours after 6 p.m. are eliminated.
- Some periodicals are moved to the first floor from the basement, and the method of service is changed.

Library System Restructuring

- Eliminated 5.2 additional positions.

Fire and Rescue Department



The Mayor's budget includes \$150,000 for a study of coverage areas and response times.

City staffing changes

Fiscal year 2008-2009



Positions Eliminated	Full-Time Equivalents (FTEs)	Estimated Total (Savings) Added Cost	Estimated Tax (Savings) Added Cost
Classified	(44.00)	(\$2,265,331)	(\$1,600,915)
Unclassified	(35.45)	(\$612,648)	(\$557,705)
Total Reductions	(79.45)	(\$2,877,979)	(\$2,158,620)
Positions Added:			
Classified	11.50	\$709,108	\$338,778
Unclassified	3.15	\$56,306	\$40,856
	14.65	\$765,414	\$379,634
Total Change	(64.80)	(\$2,112,565)	(\$1,778,986)

City Staffing Comparison

1990-1991 through Mayor's 2008-2009 recommended budget
in full-time equivalents (FTEs)



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
2006-2007	740	1,487	2,227	239,213	85.3 sq. mile
2007-2008	734	1,432	2,166	241,167	88.3 sq. mile
2008-2009	740	1,361	2,101	245,000	88.7 sq. mile
% Change					
Since 1990-1991	25.62%	-5.17%	3.79%	27.6%	39.7%

5.7% of the City workforce has been cut in the last two budgets.

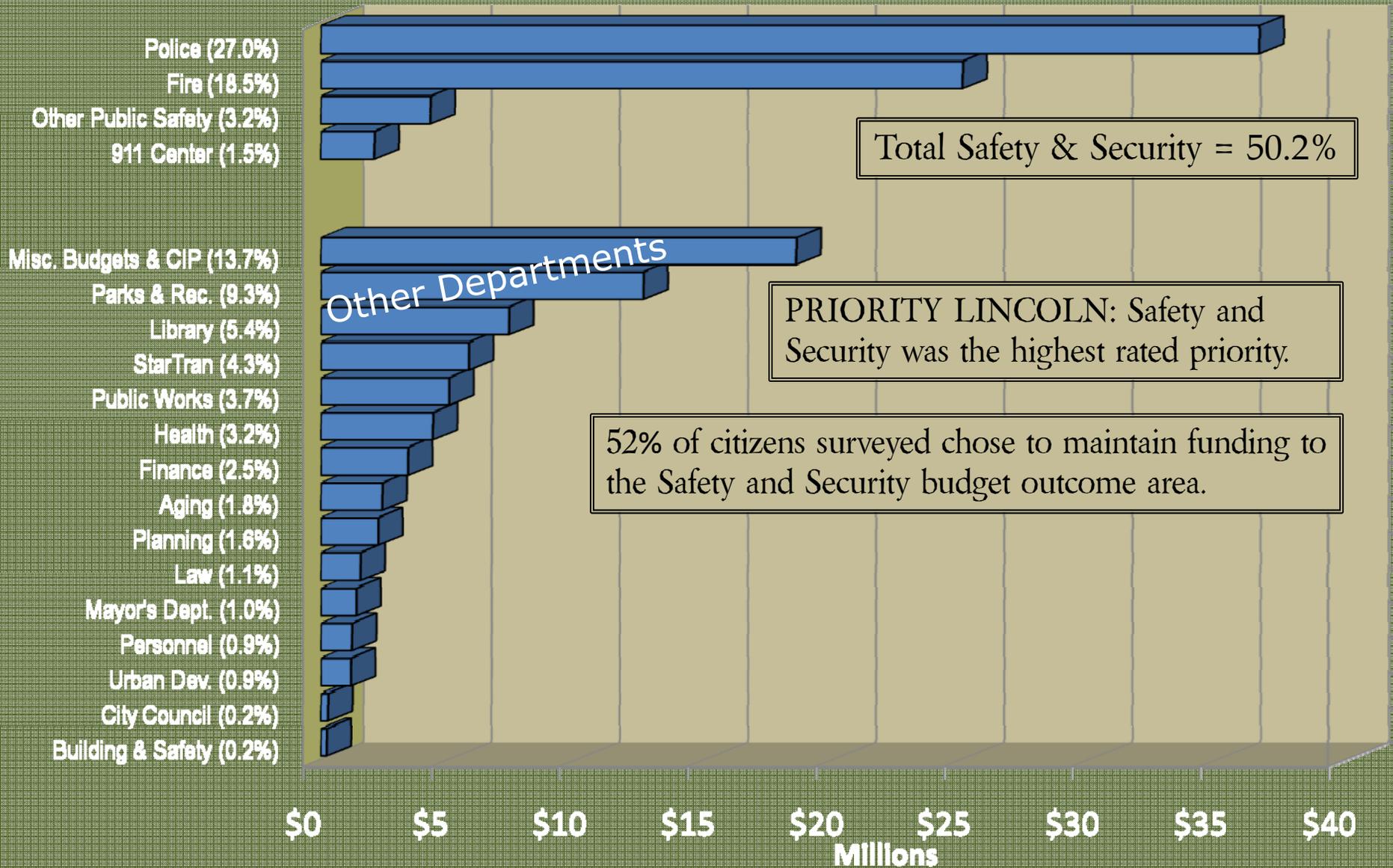
City Staffing

In 1990-1991, there was one City employee per 95 citizens.

In 2008-2009, there will be one City employee per 117 citizens.

Tax dollars by department

2008-2009 Mayor's Recommended Budget



Belmont, Ballard, Irvingdale and Arnold Heights pools are all in jeopardy without additional revenue.





Anderson, Eiseley, Walt and Bethany branch library hours are also in jeopardy without additional revenue.

Graffiti Hurts Project Mural Site



City graffiti removal efforts would be jeopardized without additional revenue.



School resource officer services are also in jeopardy without additional revenue.

For the price of one soft drink a month, you can preserve your essential services.



One-cent levy increase equals \$1.25 a month

Impact on an average home

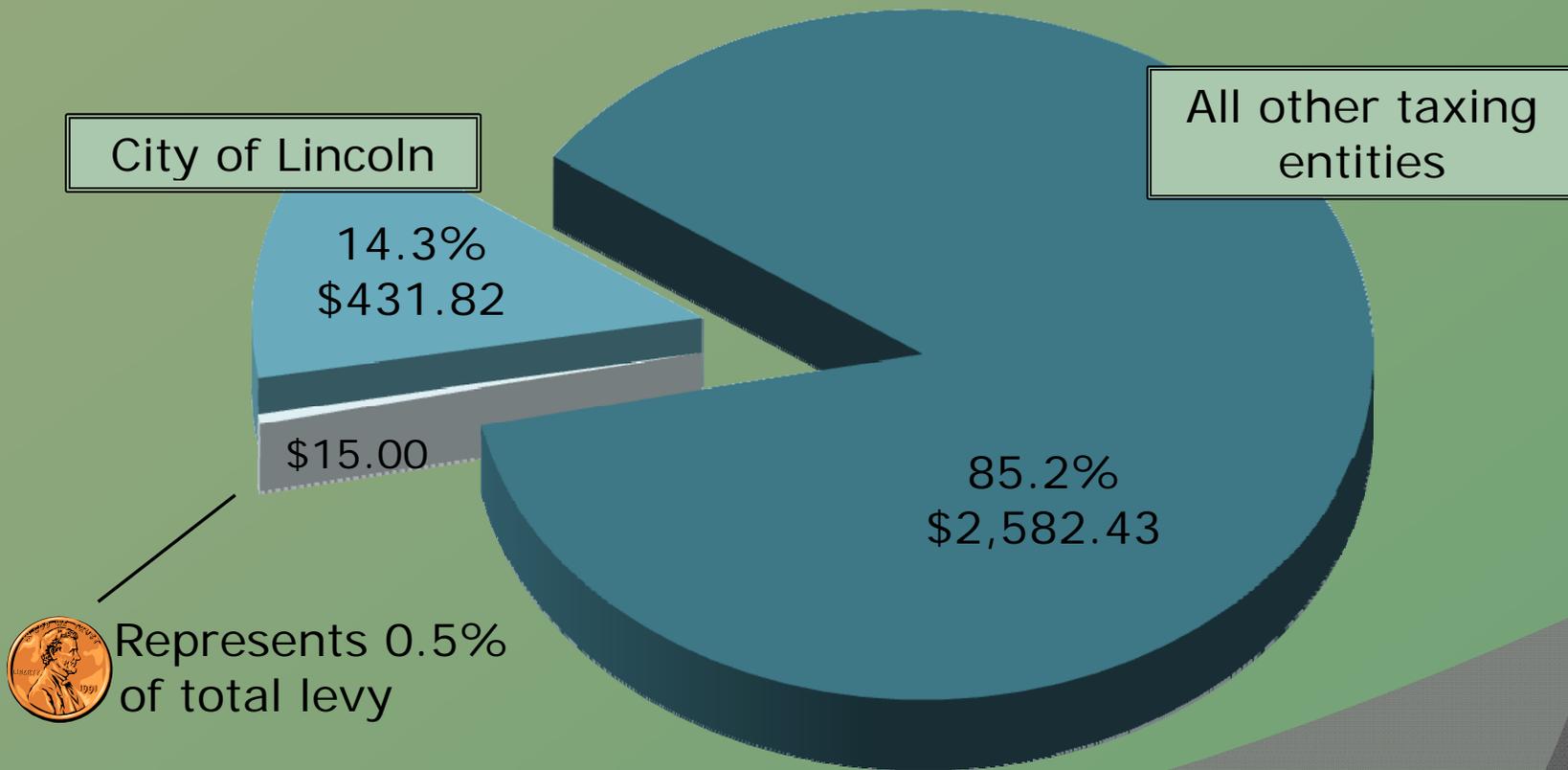


	Council Adopted 2007-2008	Mayor's Recommended 2008-2009	Change	% of Change
City tax on a property valued at \$150,000	\$431.82	\$446.82	\$15.00	+3.47%
Overall property tax paid by Lincoln resident	\$3,013.55	\$3,028.55	\$15.00	+0.5%

2008-2009 breakdown of property tax levy

(Assuming other entities' tax rates are unchanged)

On a property valued at \$150,000

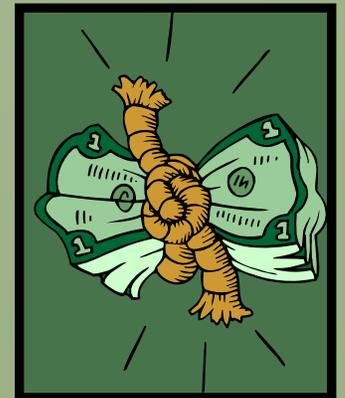


Total City property tax = \$446.82

Summary of changes in the budget

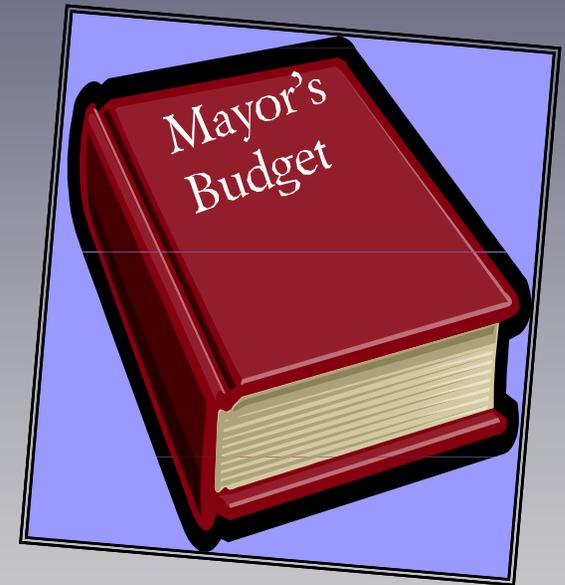
Mayor's recommended budget 2008-2009	\$135,348,514
Council-adopted 2007-2008 budget	<u>\$131,937,417</u>
Dollar difference	\$3,411,097
Percentage change	2.6%
Less current inflation rate since May 2007	<u>- 4.2%</u>
Tax-funded City government reduced by	-1.6%

Total tax-funded budget



● ● ● Mayor's Recommended Budget 2008-2009

- Tax-funded City government reduced by 1.6%.
- Staff reduced by 65.



- City grew by 0.4 square miles.
- Population increased by an estimated 3,833.

PRIORITY LINCOLN:
The future.



“We must balance frugality with quality of life and practicality with high expectation.”

-Mayor Chris Beutler, July 1, 2008