

Monday, Aug. 8

The City Council holds a public hearing on the proposed budget from 2:30 to 6 p.m. and 6:30 to 10:30 p.m.

Wednesday, Aug. 10

The City Council votes on changes to the Mayor's recommended budget at 5:30 p.m.

Monday, Aug. 22

The City Council adopts the budget at its 3 p.m. meeting.

These meetings are in the City Council Chambers on the first floor of the County-City Building, 555 S.10th St.

CITY OF LINCOLN
NEBRASKA
MAYOR CHRIS BEUTLER

*"The cranes have landed.
Out west, they are one of nature's wonders.
In Lincoln, they have roosted downtown,
marking a city on the move."*

*Don Walton, Lincoln Journal Star,
Feb. 21, 2011*

Catalyst Project

*Farmer Mutual
Insurance Co.
of Nebraska*

*Active Living Center in
Union Plaza and Assurity
headquarters*

CITY OF LINCOLN

2011
2012

ANNUAL OPERATING BUDGET

Mayor Recommended

Dear Citizens of Lincoln,

What do you want Lincoln to be?

That is the question we had to consider as we developed the City of Lincoln budget for 2011-12.

Lincoln's national accolades for being a great place to live and do business continue. Most recently, The Street, a financial website, named Lincoln one of the "10 cities that embody the American dream." Our investment in our future is paying huge dividends.

Now, we face a tough challenge. How do we conquer the General Fund budget's \$9.3 million deficit without jeopardizing all we have accomplished together?

Recently, I released an "all cuts" budget scenario that showed what would have to happen in order to balance the budget by relying solely on program cuts. Over 90 parks, seven pools and three libraries would close. Our senior citizens would face a deep reduction in services that keep them active and living independently. People who need public transportation for work and school would see sharply reduced StarTran hours.

All these cuts would occur on top of four years of already difficult reductions: 116 jobs (5.2% of the City workforce) and \$4.5 million in service reductions.

I could not in good conscience so fundamentally diminish the quality of our community. Lincoln simply means too much to me personally not to make the tough choices. The Mayor's budget for 2011-12 fixes the budget's structural imbalance, putting us in a much better position for the future. It places \$7 million a year into street rehabilitation and new construction to help speed traffic and support job creation.

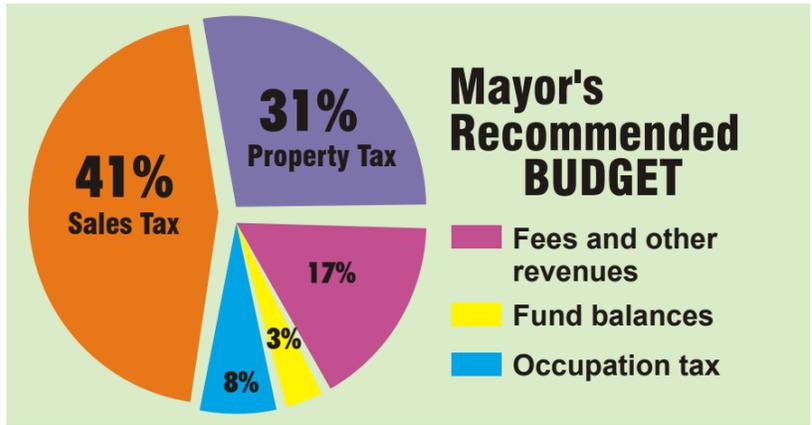
My budget is a balanced and common sense solution that addresses the realities of our situation. It also puts us on the right track to continue the excellence that is reflected in not only our national rankings, but in the optimism of our citizens for the future.

Sincerely,



Chris Beutler
Mayor of Lincoln

REVENUES



Where the money comes from (tax funds only):

Sales tax - 41%	\$58,655,174
Property tax - 31%	\$45,399,954
Occupation tax - 8%	\$11,327,520
Fund balances - 3%	\$3,731,559
Fees and other revenue - 17%	\$24,800,485
TOTAL REVENUES:	\$143,914,692

This year's budget is a 2.66% increase over the 2010-2011 budget of \$140,188,072.

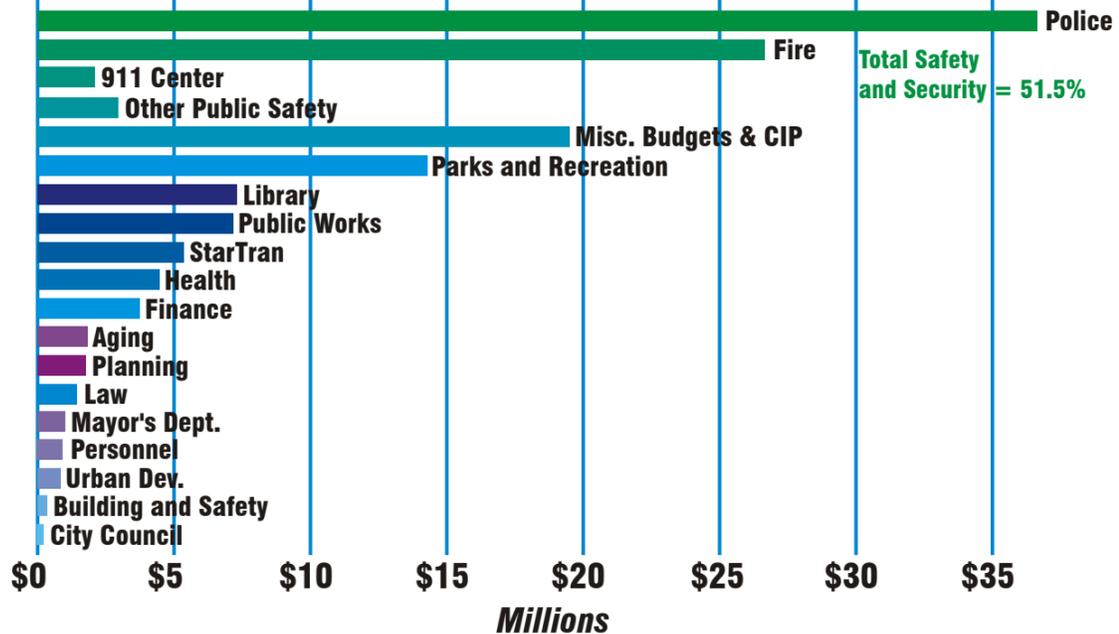
EXPENDITURES

Where the money goes (tax funds only):

Police - 28%	\$39,928,848
Fire - 20%	\$28,402,963
Transfers - 14%	\$20,438,097
Parks and Rec - 9%	\$13,835,851
Debt service - 6%	\$8,010,466
Libraries - 5%	\$7,553,382
CIP - 0%	\$50,000
Other departments - 18%	\$25,695,085
TOTAL EXPENDITURES:	\$143,914,692

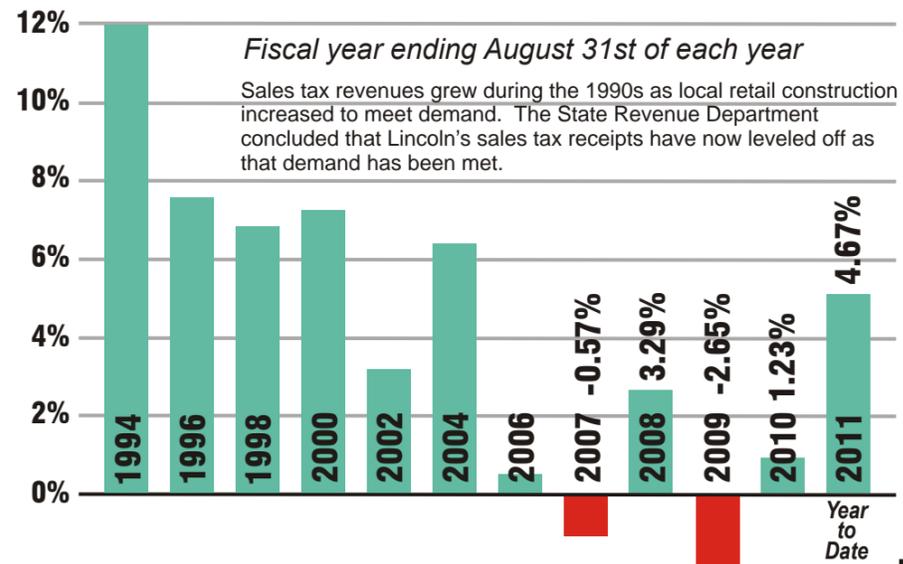
TAX DOLLARS BY DEPARTMENT

2011-2012 Mayor's Recommended Budget

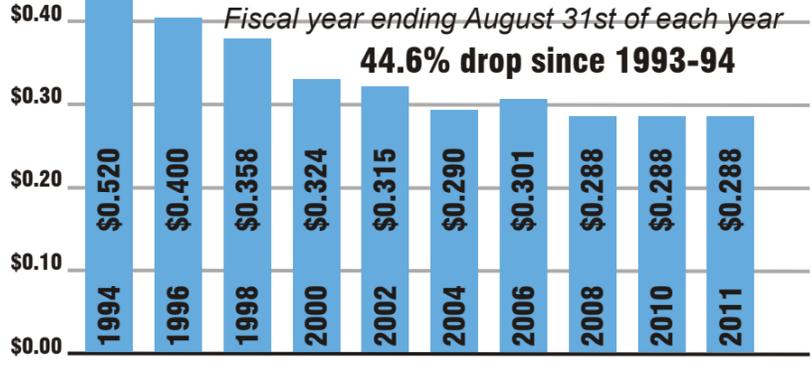


STRUCTURAL PROBLEMS

DECLINING/FLAT SALES TAX GROWTH

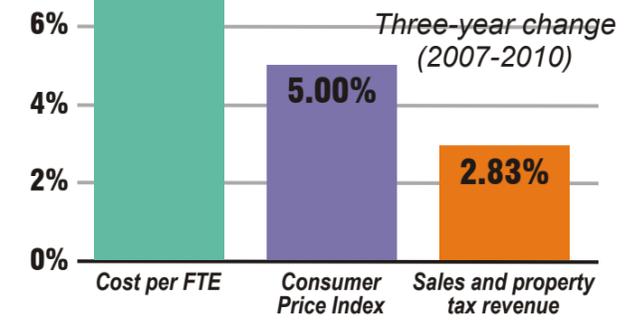


DECLINING/FLAT PROPERTY TAX RATE

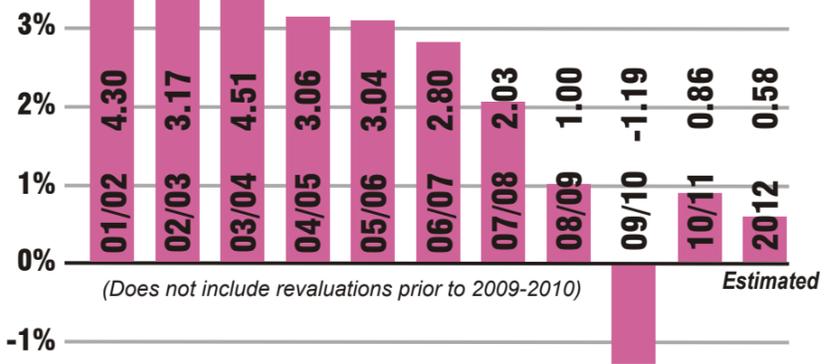


All increases since 1994-95 have been for voter-approved bond issues.

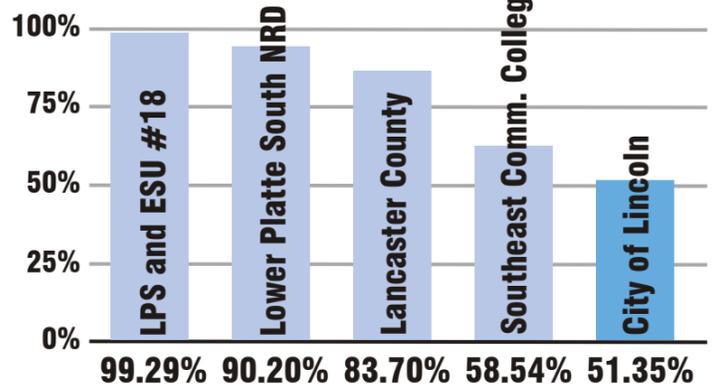
EMPLOYEE COSTS ARE OUTPACING REVENUE GROWTH AND INFLATION



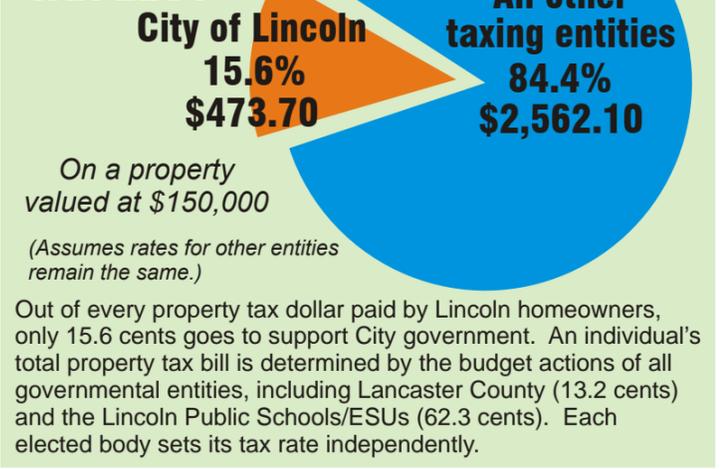
DECLINING/FLAT GROWTH IN PROPERTY TAX BASE



LINCOLN USES LITTLE OF ITS TAXING AUTHORITY



BREAKDOWN OF PROPERTY TAX LEVY



Personnel costs make up about 70 percent of the City budget. State law mandates that City salaries and benefits be comparable to those of other cities our size.

DOING MORE WITH LESS

2011 - 2012 Fiscal Year	Net FTEs Eliminated	Estimated Savings
2007 - 10	116	\$4.87 million
2011 - 12	35	\$2.55 million
Total	151	\$7.42 million

CITY STAFFING			CITY GROWTH		
Fiscal Year	Fire, Police, 911 FTEs	All Other FTEs	Total FTEs	Population	Area
1990 - 91	589	1,435	2,024	191,972	63.5 sq. miles
Proposed 2011 - 12	733	1,343	2,076	258,379	90.8 sq. miles
Change	24.5%	(6.4%)	2.6%	34.6%	43.0%
Change since 2006-07	(1.0%)	(9.6%)	(6.8%)	8.0%	6.4%

FEEDBACK

The City of Lincoln wants to hear from you. You can express your opinion by sending an e-mail to mayor@lincoln.ne.gov or by contacting the Mayor, City Council or City Departments at the phone numbers and addresses listed on the back page.

BALANCING THE BUDGET

MAYOR CHRIS BEUTLER

555 South 10th Street, Suite 301
Lincoln, NE 68508
Phone: 402-441-7511
Fax: 402-441-7120
e-mail: mayor@lincoln.ne.gov
Economic Development - Mike Lang
Ombudsman - Lin Quenzer



MAYOR'S PROPOSALS:

Cuts/Efficiencies: \$2.14 million

- Close Air Park Fire Station as part of overall relocation program - \$458,057
- Reorganize Library staff and close all libraries for one-half day - \$457,000
- Reduce Public Works and Utilities General Fund expenses - \$341,000
- Reduce StarTran Saturday service from 12 to 8 hours - \$201,923
- Reduce Lincoln Partnership for Economic Development match - \$200,000
- Eliminate Aging's Retired Senior Volunteer Program - \$149,016
- Reorganize Finance Department - \$126,400
- Cut Forestry position - \$70,354

CITY COUNCIL'S PROPOSED CHANGES TO MAYOR'S RECOMMENDED BUDGET

- Restore Friday and Sunday library hours with \$264,683 from *cash reserve fund and \$28,985 from Lancaster County - total \$293,668.
- Add \$1 million to Parks Capital Improvement Program (CIP) from two sources:
 - Transfer \$748,000 from the street construction CIP to snow removal, freeing General Fund money for Parks.
 - Transfer \$252,000 from *cash reserve fund.
- Restore funding for Air Park Fire Station with \$447,242 from *cash reserve fund and transfer of \$400,000 in Lincoln Fire and Rescue's miscellaneous contractual costs to personnel costs.

* The cash reserve fund includes \$2.2 million – \$1.7 million from anticipated Verizon settlement and \$500,000 from LES cost shift. Council proposals would use \$963,925.

LINCOLN CITY COUNCIL

555 South 10th St., Room 111, Lincoln, NE 68508
Phone: 402-441-7515 Fax: 402-441-6533
e-mail: council@lincoln.ne.gov

- Eliminate Police response to non-emergencies - \$59,182
- Reduce Healthy Homes minority outreach - \$30,000
- Reorganize Public Safety - \$29,063
- Eliminate winter hours at Pioneers Park Nature Center - \$16,902

Revenue increase: \$4.0 million

- Increase the City property tax levy to 31.6 cents per \$100 of assessed valuation from the current 28.8 cents. The increase would be \$3.49 more per month for the owner of a home valued at \$150,000. The increase would have a 1.38 percent impact on your total property tax bill - \$4.0 million (Covers loss of State aid, \$1.8 million; increased cost of Police and Fire Pension, \$1.1 million; voter-approved stormwater bond \$400,000; CIR case, \$500,000; inflation, \$200,000)

Fund Shift: \$3.2 million

- Shift General Fund expenses for street lights and related items to Lincoln Electric System (*\$2.7 million for General Fund, *\$500,000 for cash reserve fund)

User Fees/Cost Recovery: \$1 million

- User fee cost recovery, rate increases (Parks and Recreation and Health departments), parking administrative fee increase and other revenue changes.

This revenue funds the continuation of these services:

- More than 90 City parks
- Six Police Officers, four Public Safety Officers and three Victim/Witness Advocates
- Seven pools
- Three neighborhood libraries
- StarTran mid-day weekday service and most Saturday service
- Aging Partners services
- Most Pioneers Park Nature Center services

Street construction and repair:

\$3.9 million

- Additional LES shift - *\$2.7 million
- \$10 wheel tax increase - \$1.2 million

Wheel tax increases of \$5 in 2012-13 and 2013-14 would increase rehabilitation funds to \$4.1 million in 2014-2015.

* Total LES shift about \$6 million



CITY OF LINCOLN
NEBRASKA
MAYOR CHRIS BEUTLER

VISIT lincoln.ne.gov

DEPARTMENTS/DIVISIONS

Aging Partners

Director June Pederson - 402-441-7070

Building and Safety

Interim Director Chuck Zimmerman - 402-441-7521

Citizen Information Center

Manager Diane Gonzolas - 402-441-7375

Development Services Center

Manager Fred Hoke - 402-441-3444

Finance

Director Don Herz (after Sept. 1, Steve Hubka)
402-441-7411

Health

Director Judy Halstead - 402-441-8000

Law

City Attorney Rod Confer - 402-441-7281

Library

Director Pat Leach - 402-441-8500

Parks and Recreation

Director Lynn Johnson - 402-441-7847

Personnel

Director Mark Koller - 402-441-7597

Planning

Director Marvin Krout - 402-441-7491

Public Works and Utilities

Director Greg MacLean - 402-441-7548

Public Safety

Director Tom Casady - 402-441-7071

Interim Police Chief Jim Peshong - 402-441-7237

Interim Fire Chief John Huff - 402-441-8350

Urban Development

Director David Landis - 402-441-7606

ADMINISTRATION'S PROPOSED CHANGES TO BUDGET

- Return \$1.7 million street light cost to General Fund, to be funded with \$1.7 million in LES Return of Equity Revenue.
- Miscellaneous reductions in tax-funded budget - \$96,946.
- Increase funding for S.W. 40th Viaduct by \$3 million in CIP, to be funded with additional \$3 million appropriation from Railroad Transportation Safety District - no impact on tax-funded budget.
- Miscellaneous reductions in non-tax funds - \$21,000.



Front row from left - Adam Hornung, Vice Chair, At Large; Eugene Carroll, Chair, At Large; and Jayne Snyder, At Large. Back row from left - Carl Eskridge, Northwest District; Jonathan Cook, Southwest District; Jon Camp, Southeast District; and Doug Emery, Northeast District.