

# City of Lincoln



Mayor's Recommended  
Budget 2010-2011

# Outcome-based budgeting

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

This new approach is being used to help us focus on achieving desired goals for the future.



Set Goals

Establish  
Indicators

Measure  
Progress

Achieve  
Results

We measure success...

with outcome-based budgeting.

# Lincoln's focus for 2010-2011



# Strategic Priority #1:



Maintain  
our quality of life

# Lincoln is a national leader

## LINCOLN'S NATIONAL RATINGS



#1 – Job prospects – *Manpower* 2009



#2 – Best prospects for housing recovery – *Forbes* 2009



#4 – Best places to raise a family – *Children's Health* 2009



#5 – Best places for business and careers – *Forbes* 2010



#9 – Most livable cities – *Forbes* 2010

The City budget must support the quality of life that attracts new residents and new investment.

# Strategic Priority #2:

Support our local economy  
as the national economy recovers

- Maintain infrastructure
- Drive growth through arena
- Invest in economic development

# Maintain infrastructure



Over 76,000 potholes filled since January 2010

Over 20 miles of road rehabilitated from 2010 through 2012



Stevens Creek trunk sewer

# Invest in economic development



- Development Services Center speeds process
- Lincoln Partnership for Economic Development attracts new jobs and investments
- Fast Forward Fund creates jobs

# Lincoln Haymarket Arena



## Economic Benefits of West Haymarket Development (first year of operation)

- \$350 million in public and private investments
- Increased City sales tax revenue - \$952,000
- Increased property tax revenue - \$1.7 million

Source: West Haymarket Development Economic Impact Analysis

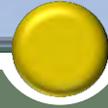
# Lincoln Haymarket Arena



New positions to be paid with revenues from the Joint Public Agency:

- Assistant City Controller
- Assistant City Attorney
- Assistant Purchasing Agent

# Strategic Priority #3:

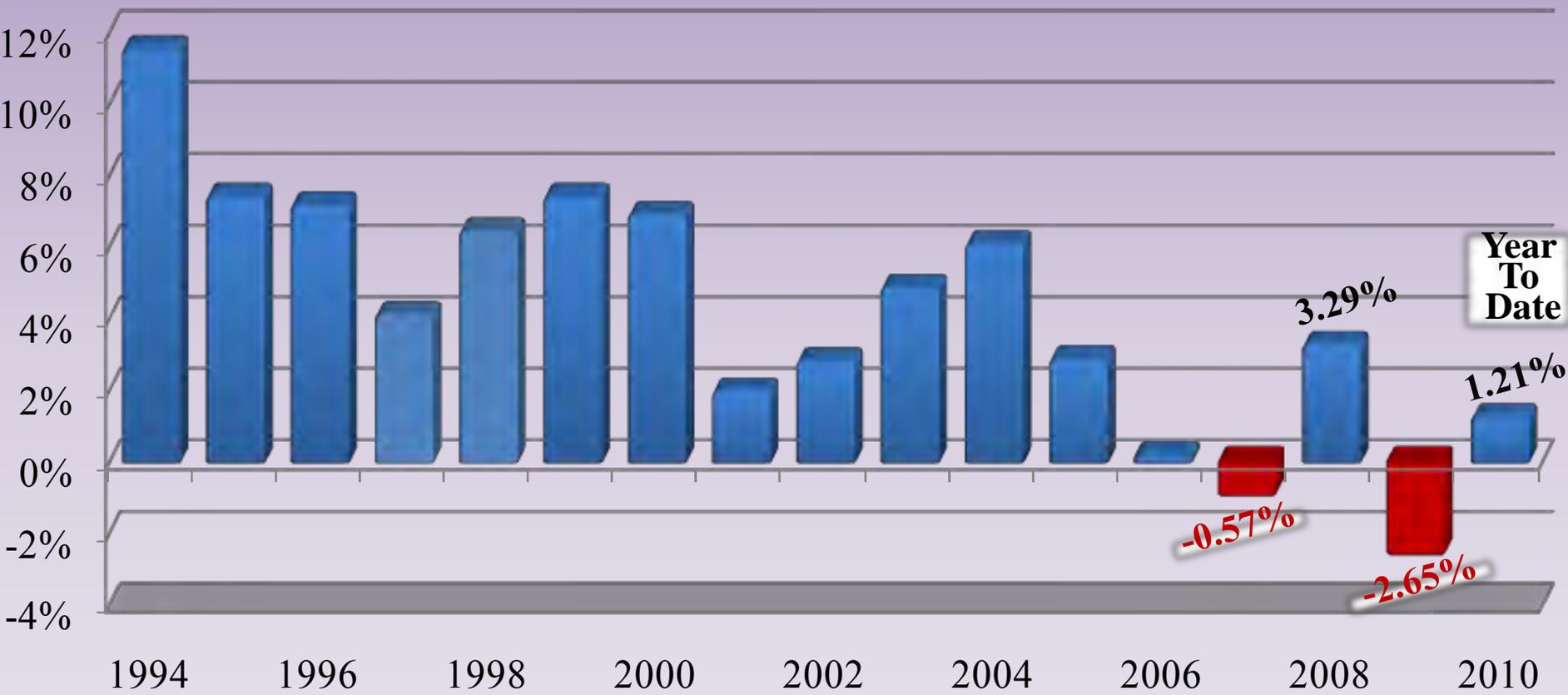


Increase City sales tax revenues



# Percentage change in sales tax

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



**Growth in receipts has been abnormally low in recent years compared to earlier years.**



# Lincoln's budget challenges



Flat or declining revenues



Mandated increased costs

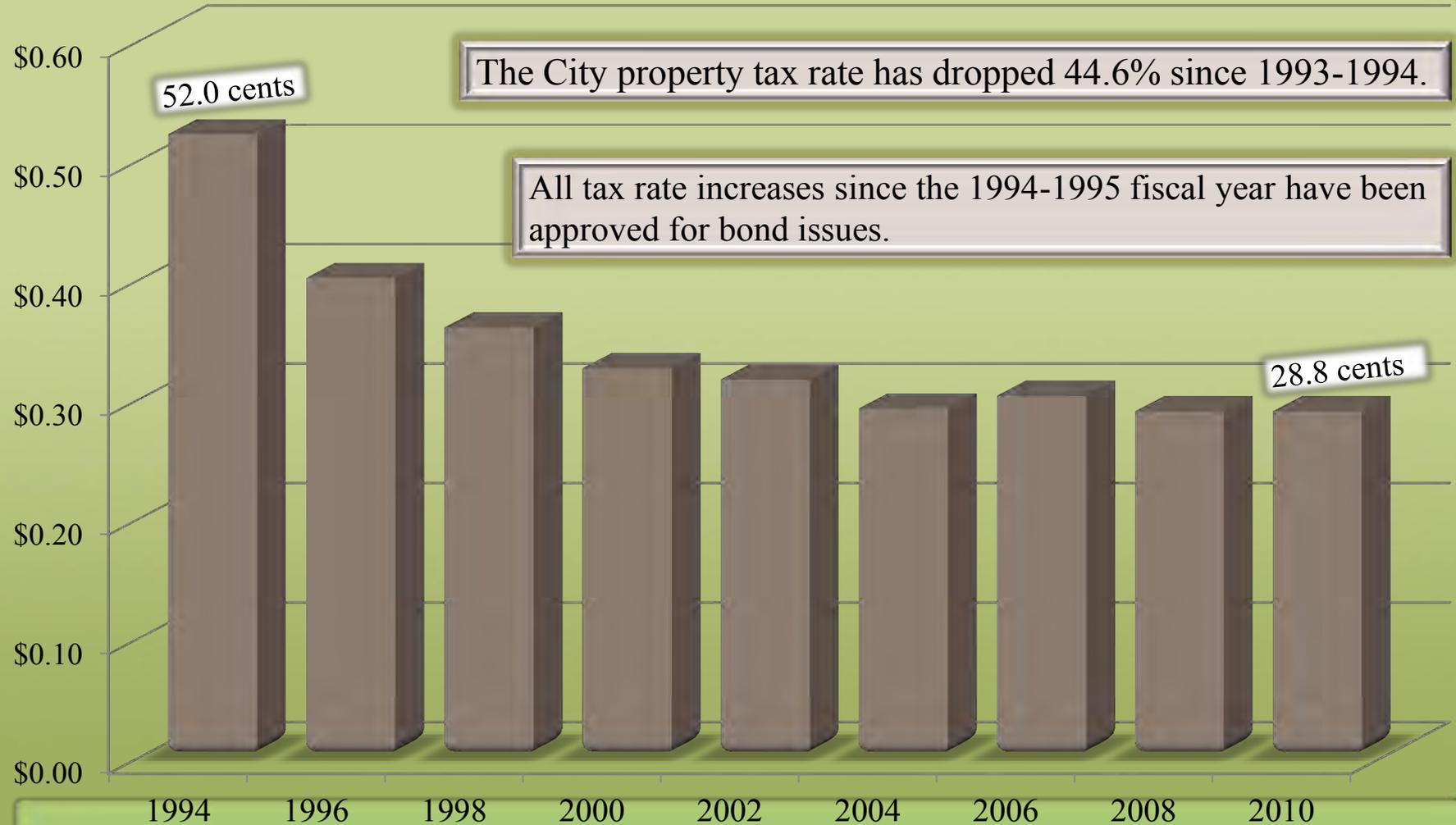


Fewer and fewer places to cut

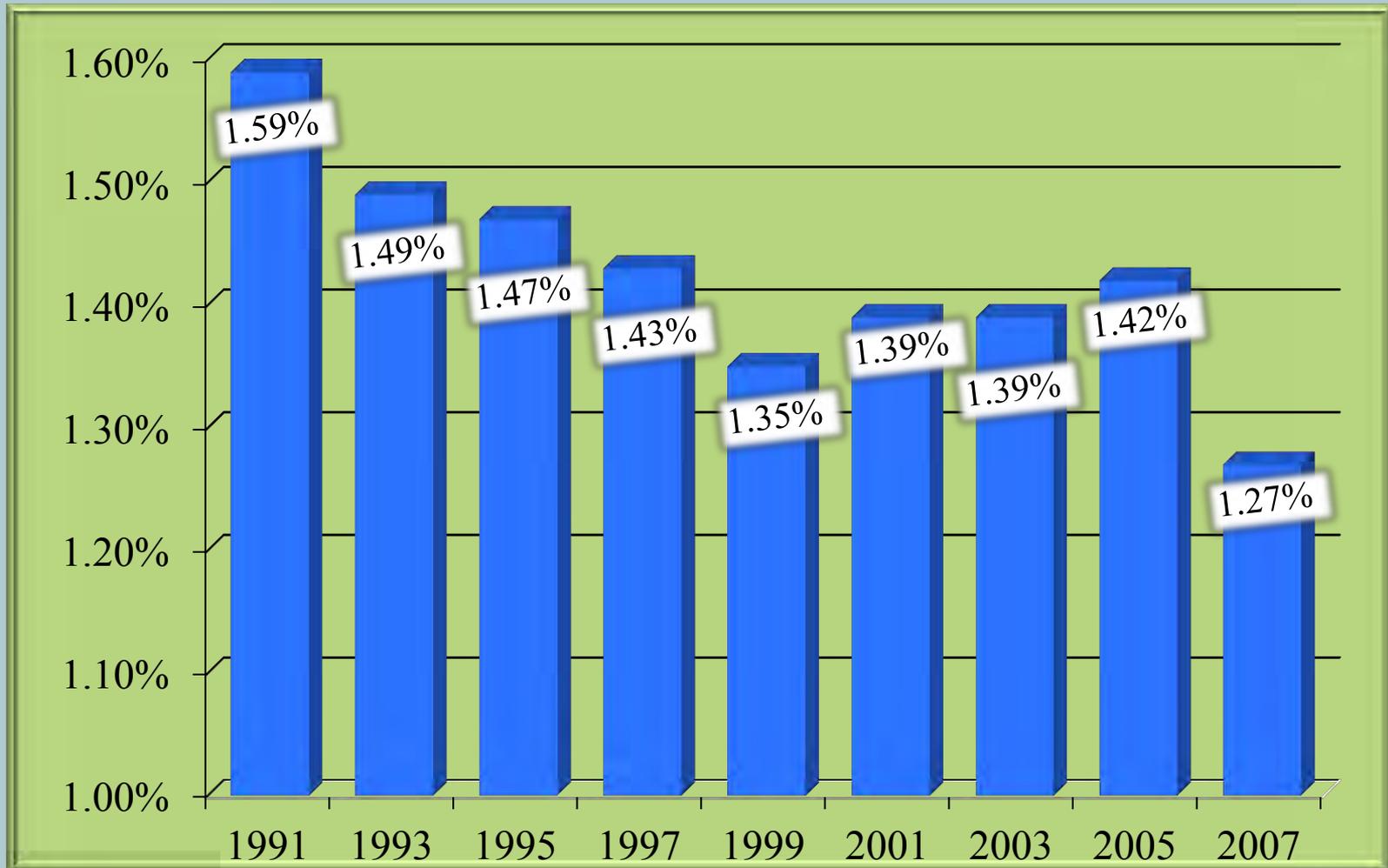


# City property tax rate

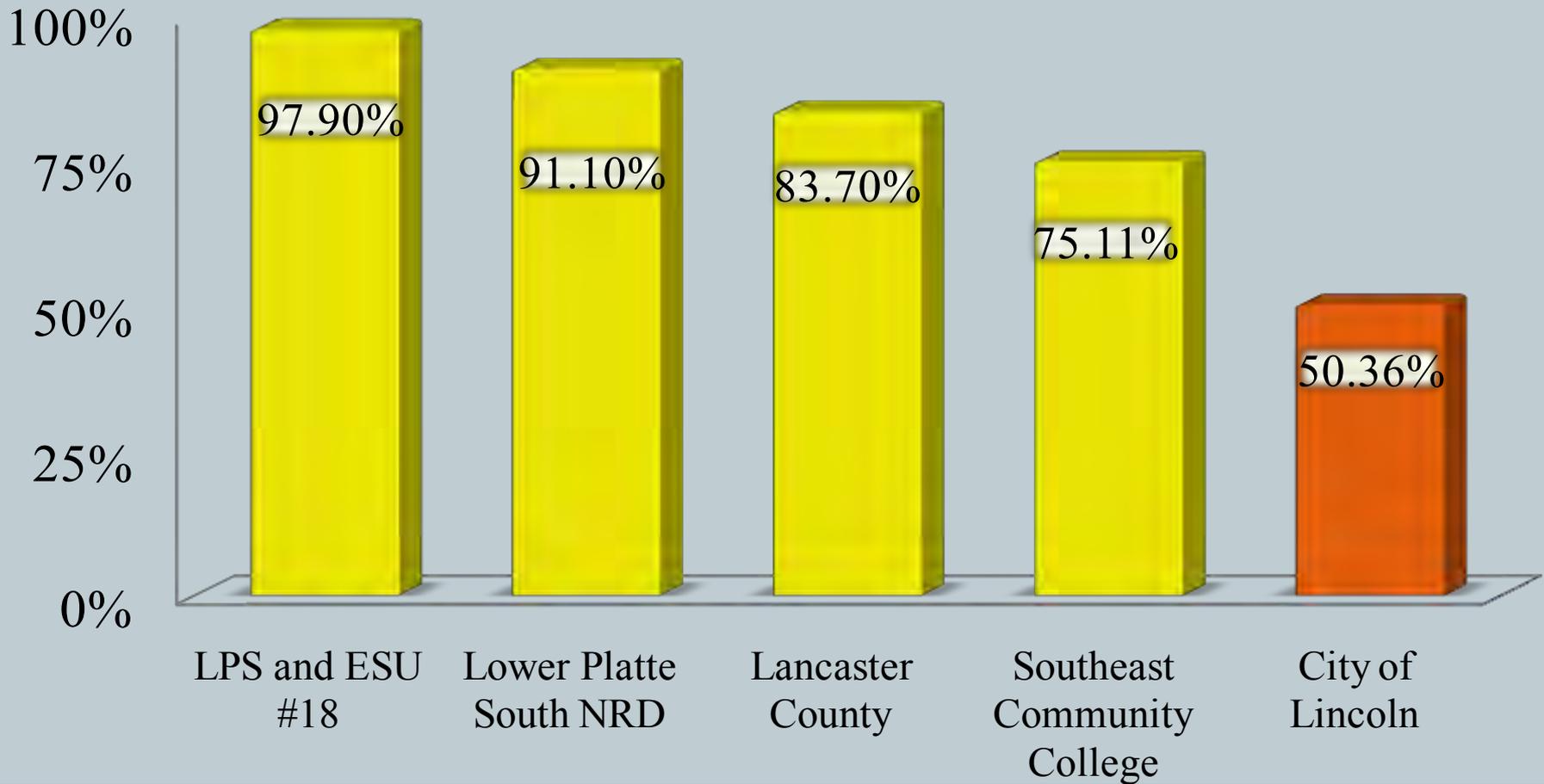
Fiscal year ending August 31<sup>st</sup> of each year



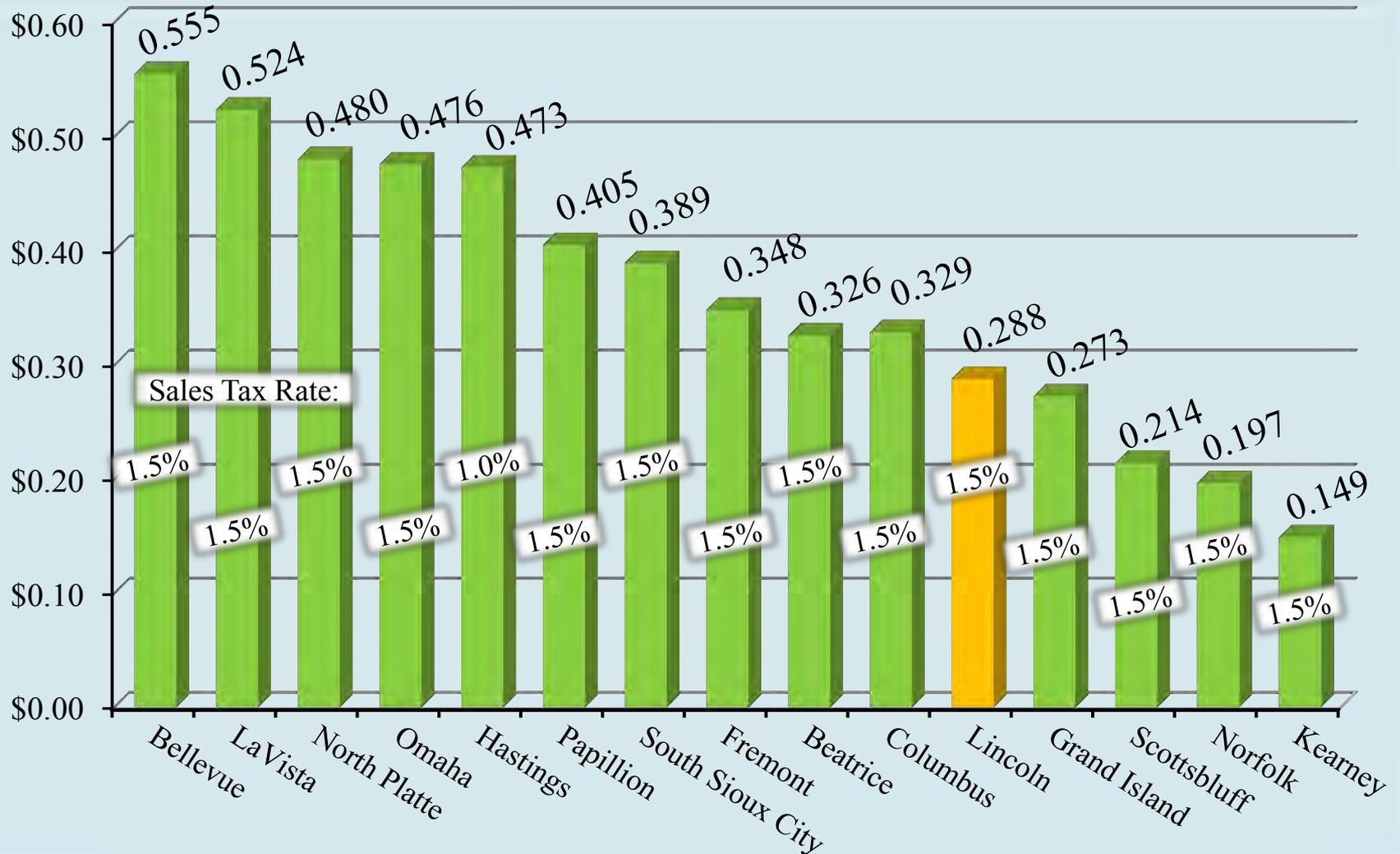
# City tax-funded budget as a percentage of personal income



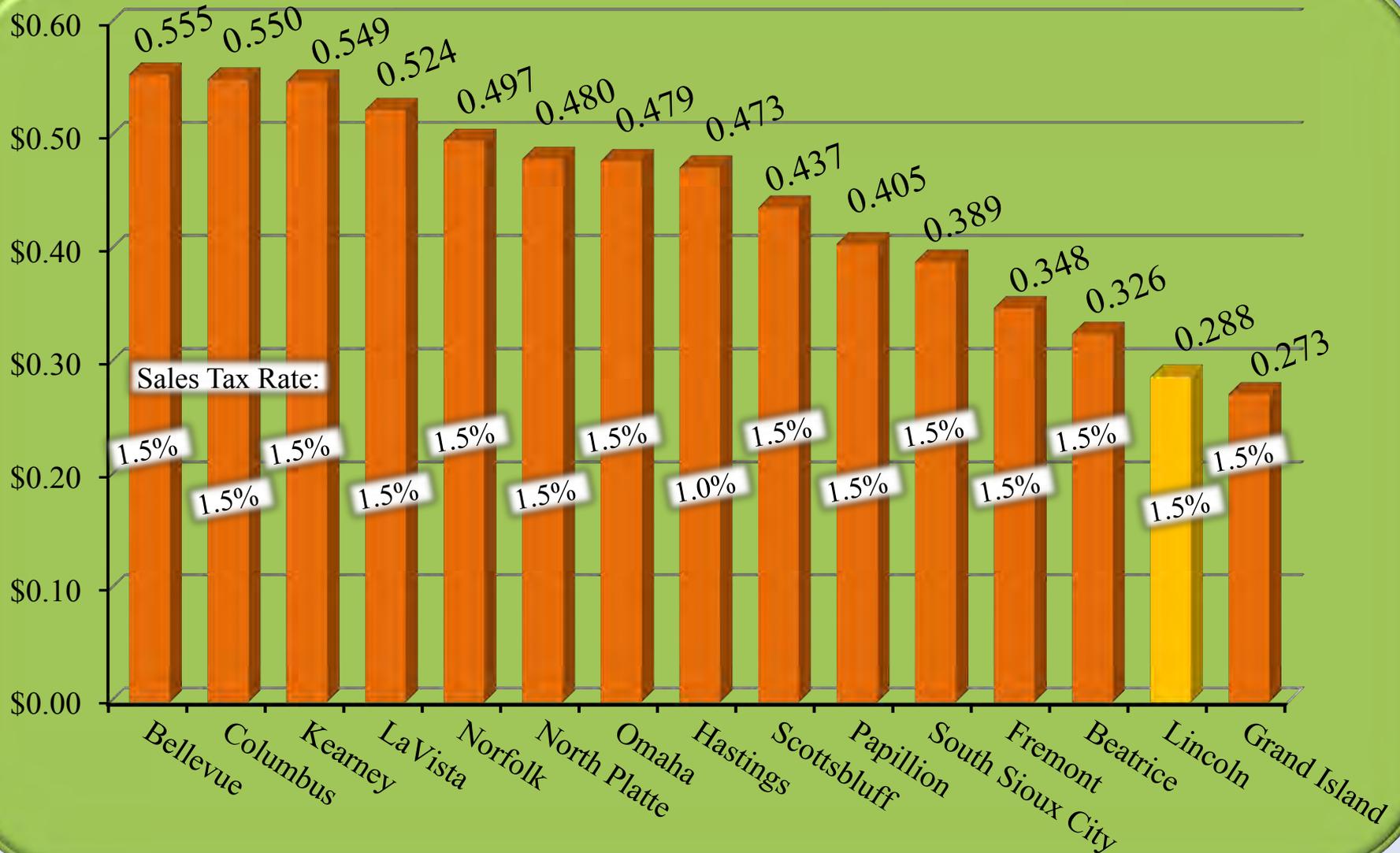
# Percent of levy authority used by taxing entities in Lincoln



# Property tax levies for 15 largest Nebraska cities for 2009-2010

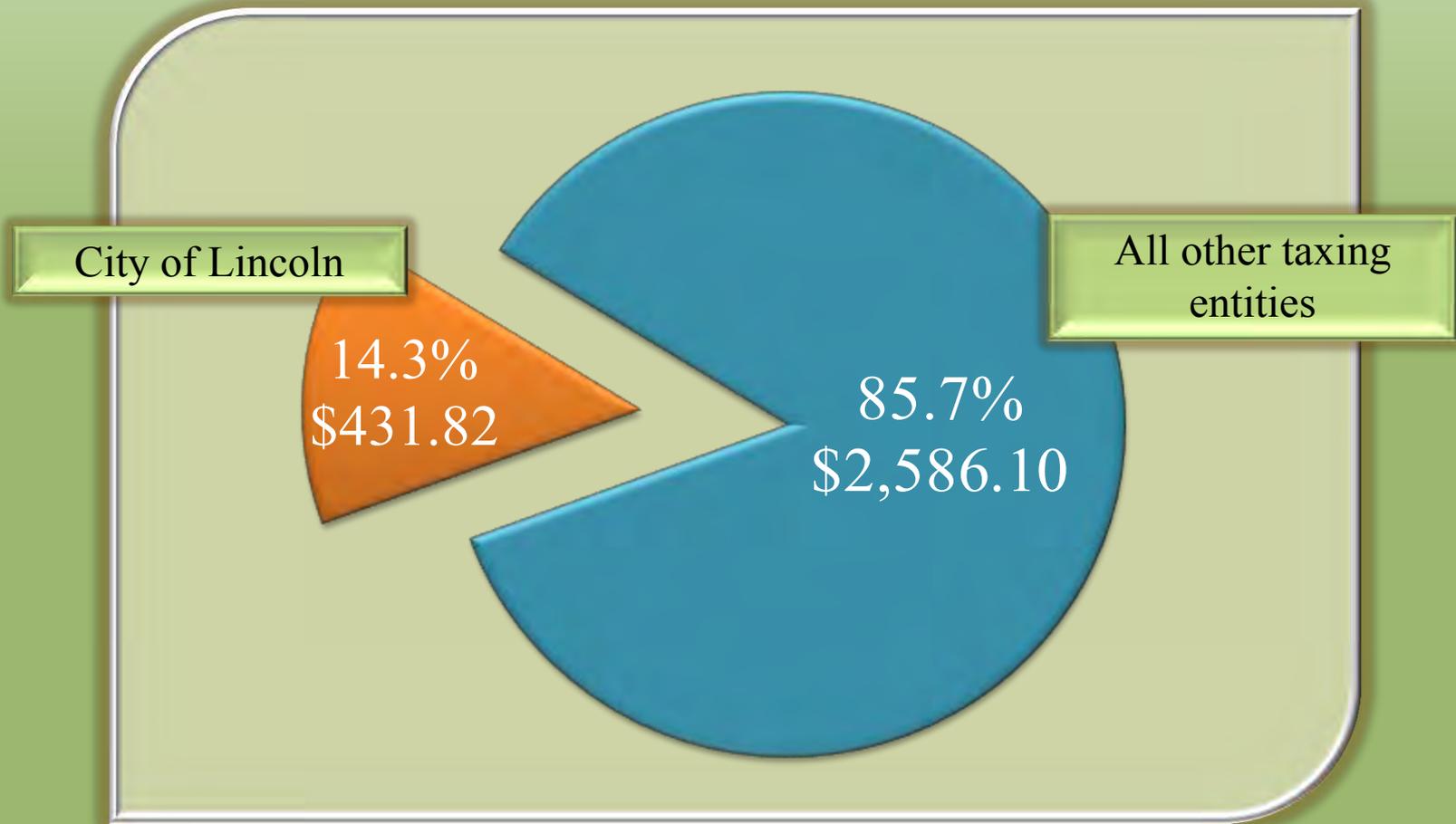


# Property tax levies for 15 largest Nebraska cities adjusted for power grid rental revenue for 2009-2010



# Current year breakdown of property tax levy (2009-2010)

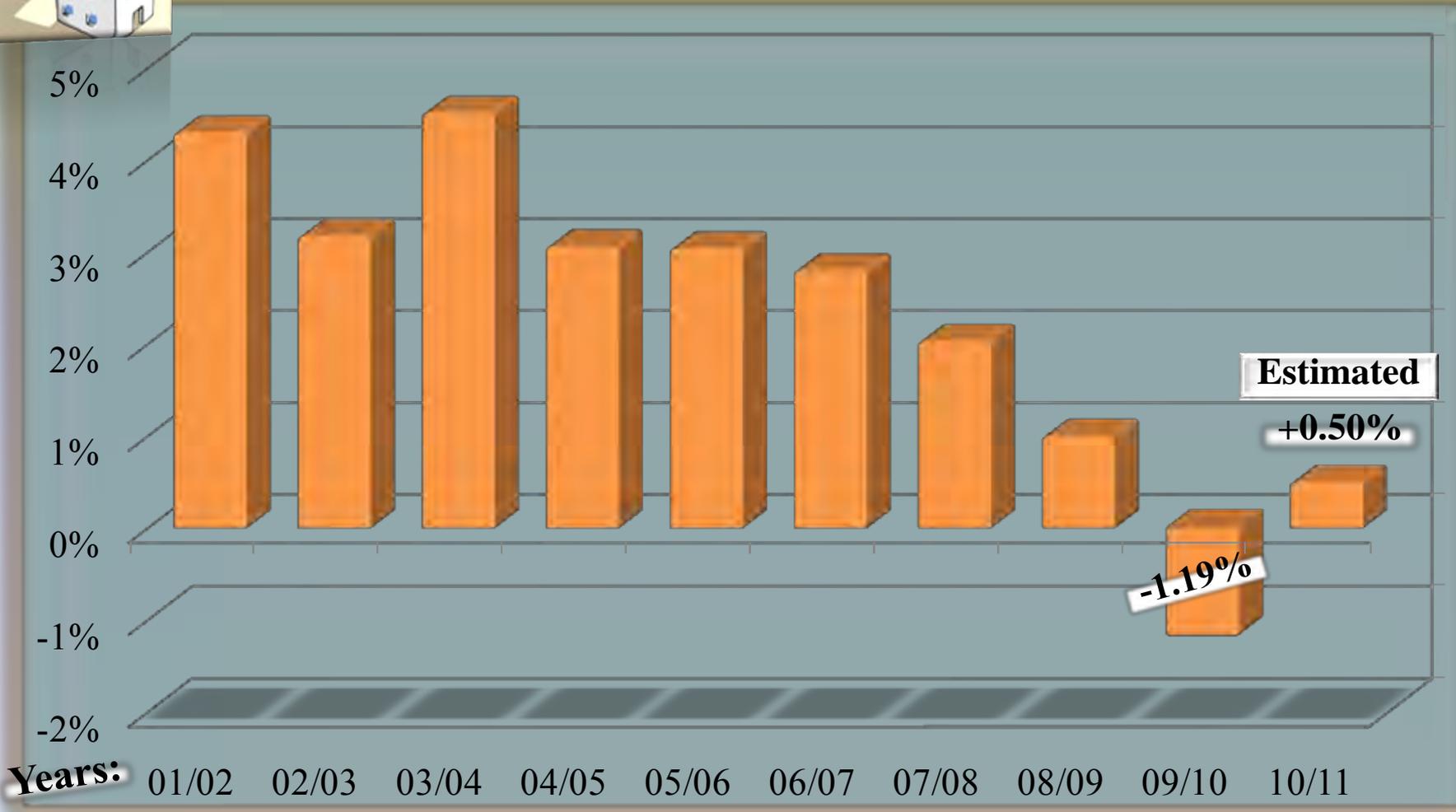
On a property valued at \$150,000





# Slowing growth of the property tax base

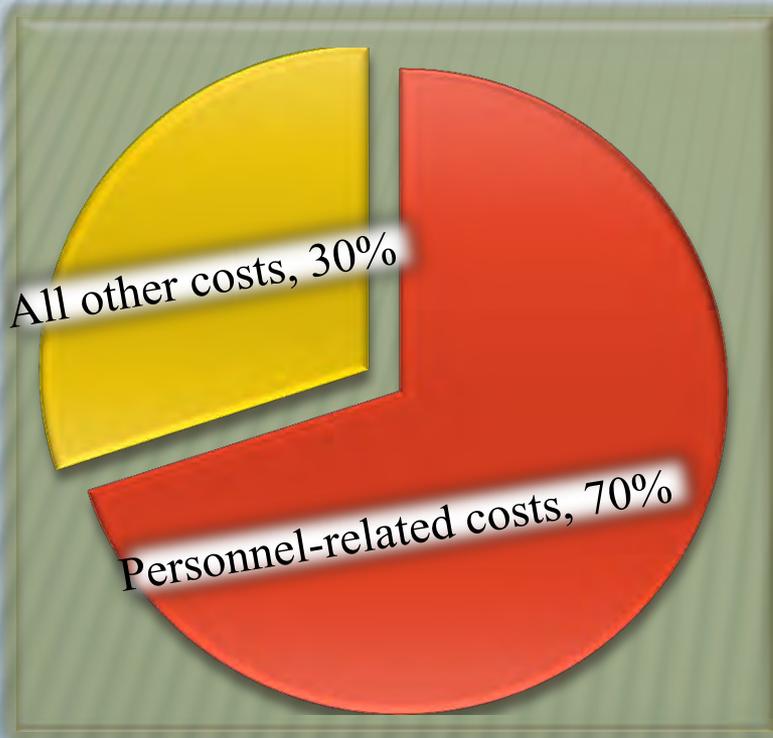
(Does not include revaluations prior to 2009-2010)



# Mandated Increased Costs: Commission on Industrial Relations (CIR)

## LABOR CONTRACTS

### CITY BUDGET



Personnel costs make up about 70% of budget.

# Programs reorganized 2007-2010

- Parks and Recreation Department
  - Community Learning Centers
  - Before- and after-school programs
- Aging Partners
- Public Works & Utilities Department
- Planning Department
- Health Department
- Reorganized the Affirmative Action function



# Doing more with less

Mayor's recommended budget in full-time equivalents (FTEs)  
2006-2007 through 2010-2011

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. miles
2006-2007	740	1,487	2,227	239,213	85.3 sq. miles
2010-2011	735	1,361	2,097	254,001	90.6 sq. miles
% change					
since 2006-2007	-.7%	-8.5%	-5.8%	6.2%	6.2%

**5.8% of the City workforce has been cut in the last four budgets.**

# City staffing comparison

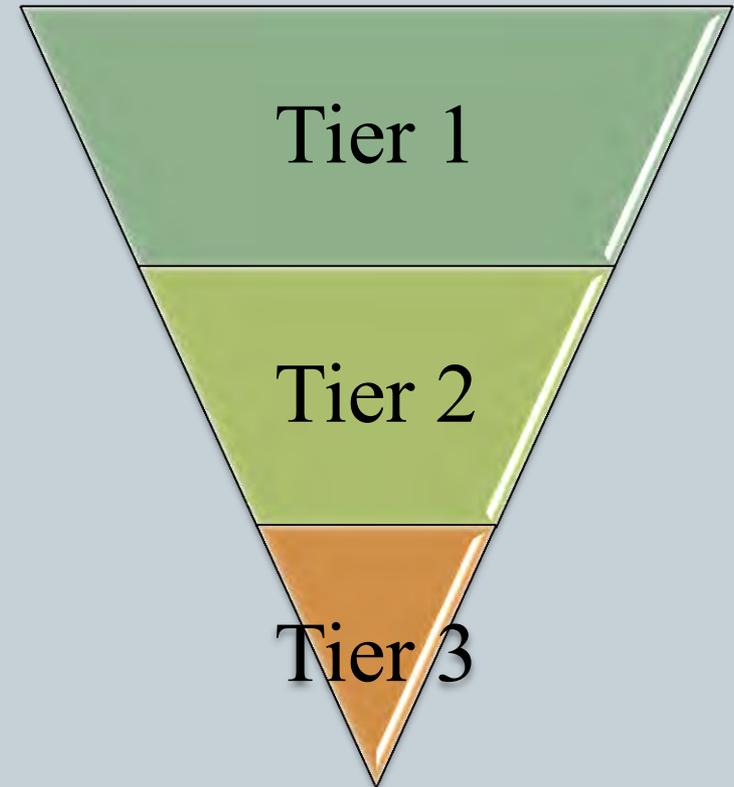


Fiscal Year	Net Positions (Eliminated)/Added	Estimated Total Savings
2007-2010	(136)	(\$5,703,971)
2010-2011	6*	(\$19,026)
TOTAL:	(130)	(\$5,722,997)

\*Of the net increase of six positions, three are funded by the West Haymarket Joint Public Agency

# Budget status 2010/2011 if we do nothing

Most lower prioritized services in Tiers 2 and 3 would not be funded without additional revenues and/or budget cuts.



How do we achieve Lincoln's strategic objectives for 2010/2011 in the face of our budget challenges?

- Maintain key Tier 2 and 3 programs at risk
- Reduce lower priority program spending
- Reorganize programs
- Use “Rainy Day” and one-time funds
- User fee cost recovery

# Rainy Day Fund

Transfer \$3.5 million of Special Assessment Fund balances to the Cash Reserve Fund (Rainy Day Fund) and use the Cash Reserve Fund for its adopted purpose:

“...to provide a budget contingency which will help preserve City services in difficult economic times.”

# One-time funds

## Police and Fire Pension Fund

Reduce currently mandated normal cost contribution by \$300,000 for one year to delay impact of a one-time actuarial adjustment

- Change City Code to allow for delay
- The annual contribution will still increase by \$191,838

# Reorganization from 2010/2011 budget



Cleaner Greener Lincoln energy savings programs will save \$200,000



Forestry reorganization will save \$160,000



Privatization and reorganization of parking enforcement saves \$612,000 in the general fund



Reorganizing Human Rights saves \$96,200

# General fund program cuts and adjustments 2010/2011

- Willard Community Center \$ 35,588
- July 4<sup>th</sup> Celebration (one year private funding) \$ 46,750
- Star City Holiday Parade (one year private funding) \$ 70,224
- Municipal band concert \$ 9,000
- Mosquito control \$ 11,918
- StarTran neighborhood north & south routes \$168,000
- Reduce StarTran subsidy, change Ride  
for \$7.50 to \$10 \$ 50,000
- Middle School Resource Officers  
(officers moved to other duties, no officer cuts)

# Non-program budget cuts 2010/2011

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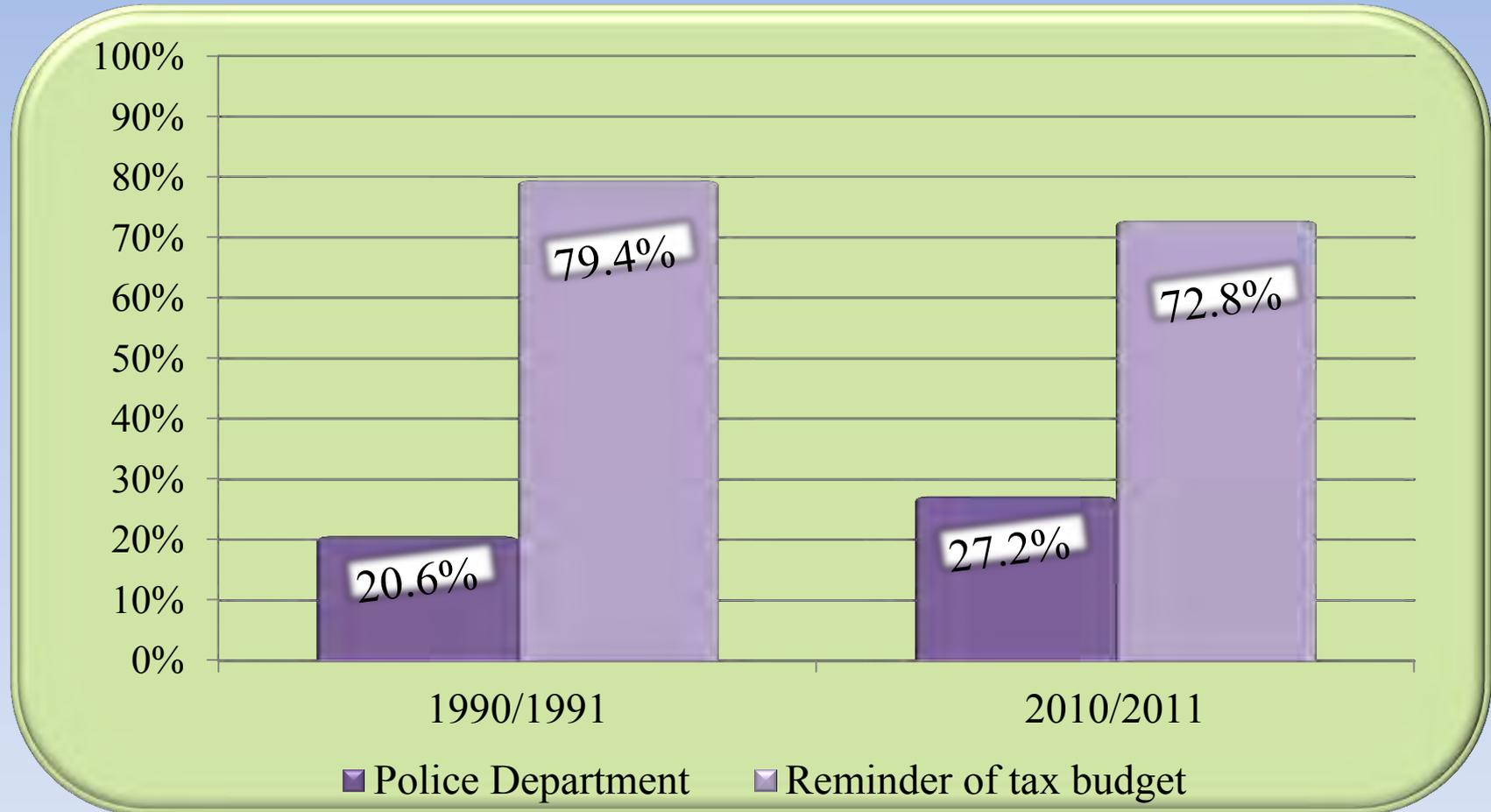


- Fire Department - \$75,000
- Health Department - \$42,000
- Library Department - \$31,000
- Public Works & Utilities Department - \$50,000
- Police Department - \$375,000 (delayed hiring, no officer cuts)

Goal: Maintain a violent crime rate 25% under the average for similar-sized cities (555 offenses per 100,000 residents)



## Police Department share of tax-funded budget 1990/1991 to 2010/2011



Police Department's share of the budget compared to the remainder of the tax-funded budget has increased 6.6%





# Programs saved

Many Police services performed by 64 officers: \$3.5 million



# Programs saved



Star City Shores, University Place, Woods and  
Highlands Pools: \$133,000

# Programs saved



Community parks (25 parks, 1700 acres):  
\$1,170,281

# Programs saved



Neighborhood parks (maintenance for 78 parks): \$768,258





# Programs saved



Community forestry program: \$1,225,631



# Programs saved



Healthy Homes Outreach

Helping women with high-risk pregnancies: \$218,733

# Programs saved

## Park's Therapeutic Recreation Program

Recreation programs for individuals with intellectual disabilities: \$195,928



Recreation Centers

# Programs saved



Recreation Center evening and weekend hours:  
\$81,629



# Programs saved

Kenneling  
contract with  
Capitol  
Humane  
Society:  
\$450,000



# Summary of financial changes 2010/2011

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- ❑ Reductions to General Fund      \$2.0 million
- ❑ One-time sources                      \$3.8 million
- ❑ User fee cost recovery              \$0.5 million
- ❑ Funding transfer                      \$656,600

# Changes in employee numbers 2010/2011

In full-time equivalents (FTEs)

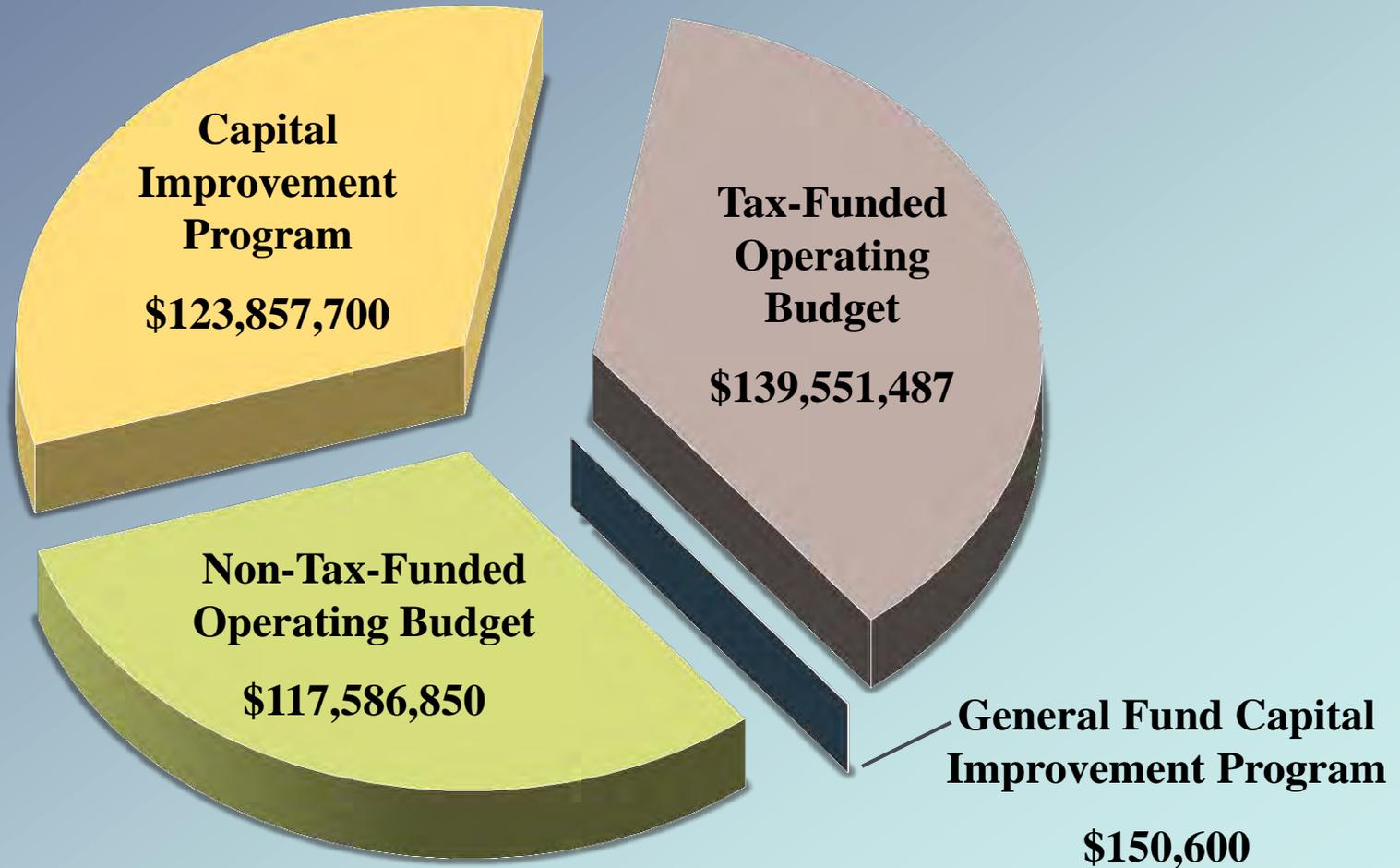
	<u>Tax-</u> <u>funded</u>	<u>Non tax-</u> <u>funded</u>	<u>Total</u>
FTE additions	12.74	12.95	25.69
FTE reductions	<u>(16.10)</u>	<u>(4.03)</u>	<u>(20.13)</u>
2010/2011 change	(3.36)	8.92	5.56

Fourth straight year the tax-funded budget has reduced employees

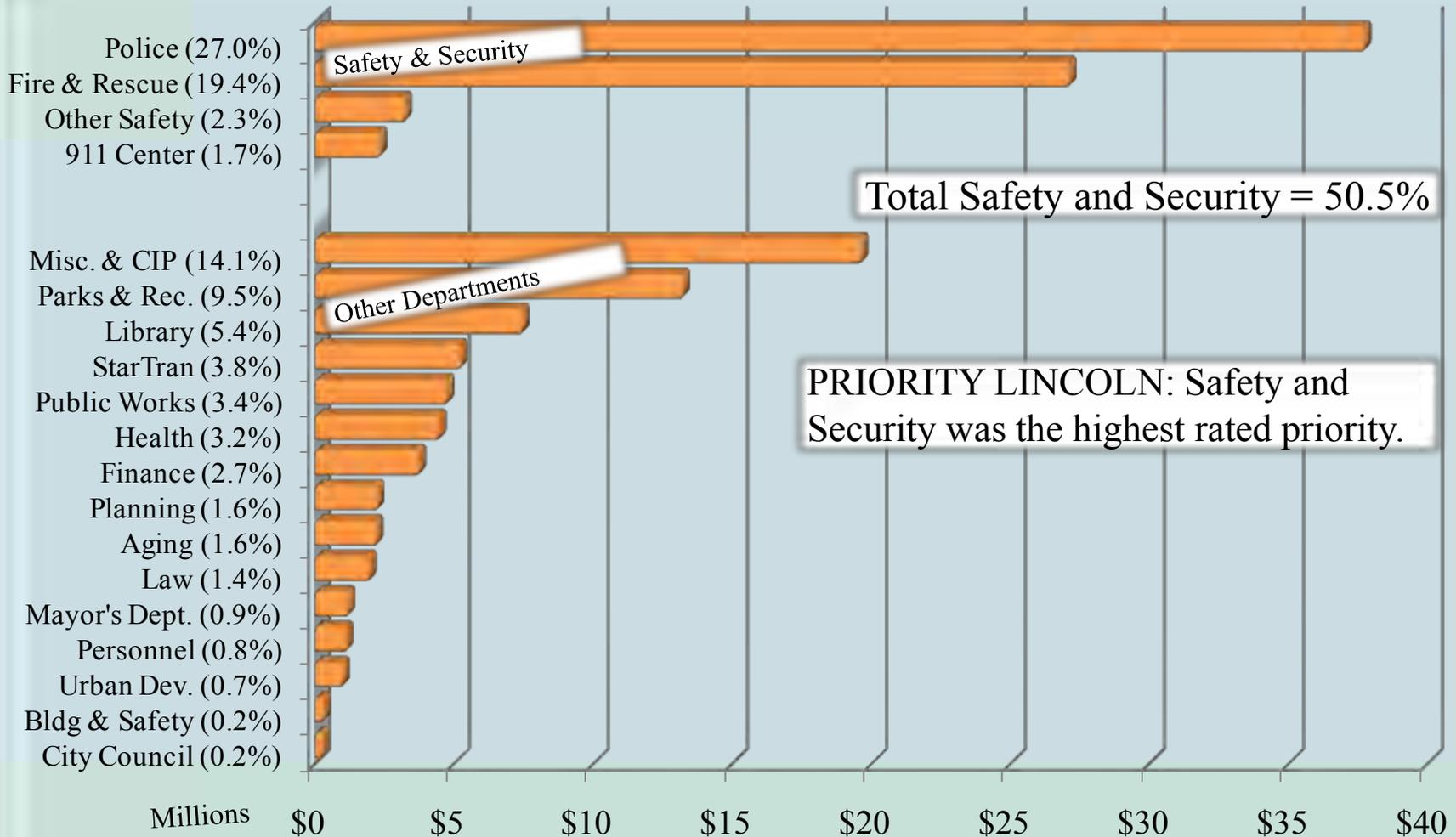
# Staffing changes in the last four budgets

Tax-funded positions eliminated	149
Net positions eliminated	130
Total savings overall	\$5.7 million
Total savings in tax dollars	\$3.9 million

# Where the money goes



# Tax dollars by department



# Summary of tax-funded budget changes



Mayor's recommended budget 2010-2011	\$139,702,087
Council-adopted 2009-2010 budget	<u>\$134,811,929</u>
Dollar difference	\$4,890,158
Percentage change	3.63%

Four year average change	1.87%
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