

# **Annual Budget For Calendar Year 2012**



## **Vision**

Service and Leadership that enriches the community.

## **Mission**

To provide quality service and leadership that maximizes resources and responds to our community's present and future needs.

## **Shared Goals**

- Cooperation and Teamwork
- Honesty & Integrity
- Responsiveness and Reliability

These values demonstrate our commitment to professionalism.

# City of Omaha Elected Officials



**Jim Suttle**  
Mayor



**Tom Mulligan**  
District 7  
*City Council President*



**Franklin Thompson**      **District 6**  
*City Council Member*



**Pete Festersen**      **District 1**  
*City Council Member*



**Ben Gray**      **District 2**  
*City Council Member*



**Chris Jerram**      **District 3**  
*City Council Member*



**Jean Stothert**      **District 5**  
*City Council Member*



**Garry Gernandt**      **District 4**  
*City Council Vice President*

# Department Officials

## DEPARTMENT DIRECTORS

Paul D. Kratz .....City Attorney  
Richard O'Gara .....Human Resources, Rights & Relations Director  
Pam Spaccarotella.....Finance Director  
Rick Cunningham.....Planning Director  
Melinda Pearson .....Parks, Recreation and Public Property Director  
Michael McDonnell .....Fire Chief  
Alexis N. Hayes .....Police Chief  
Robert Stubbe .....Public Works Director  
Dana Markel .....Convention and Tourism Director  
Gary Wasdin .....Library Director

## MAYOR'S EXECUTIVE STAFF

Steve Oltmans .....Chief of Staff  
Aida Amoura .....Communications Director  
David Dover .....Deputy Chief of Staff  
Dave Sund .....Policy Analyst

Allen Herink, *City Comptroller*  
Andrew Brott, *Budget Manager*

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Buster Brown, *City Clerk*

**City of Omaha  
Budget Document  
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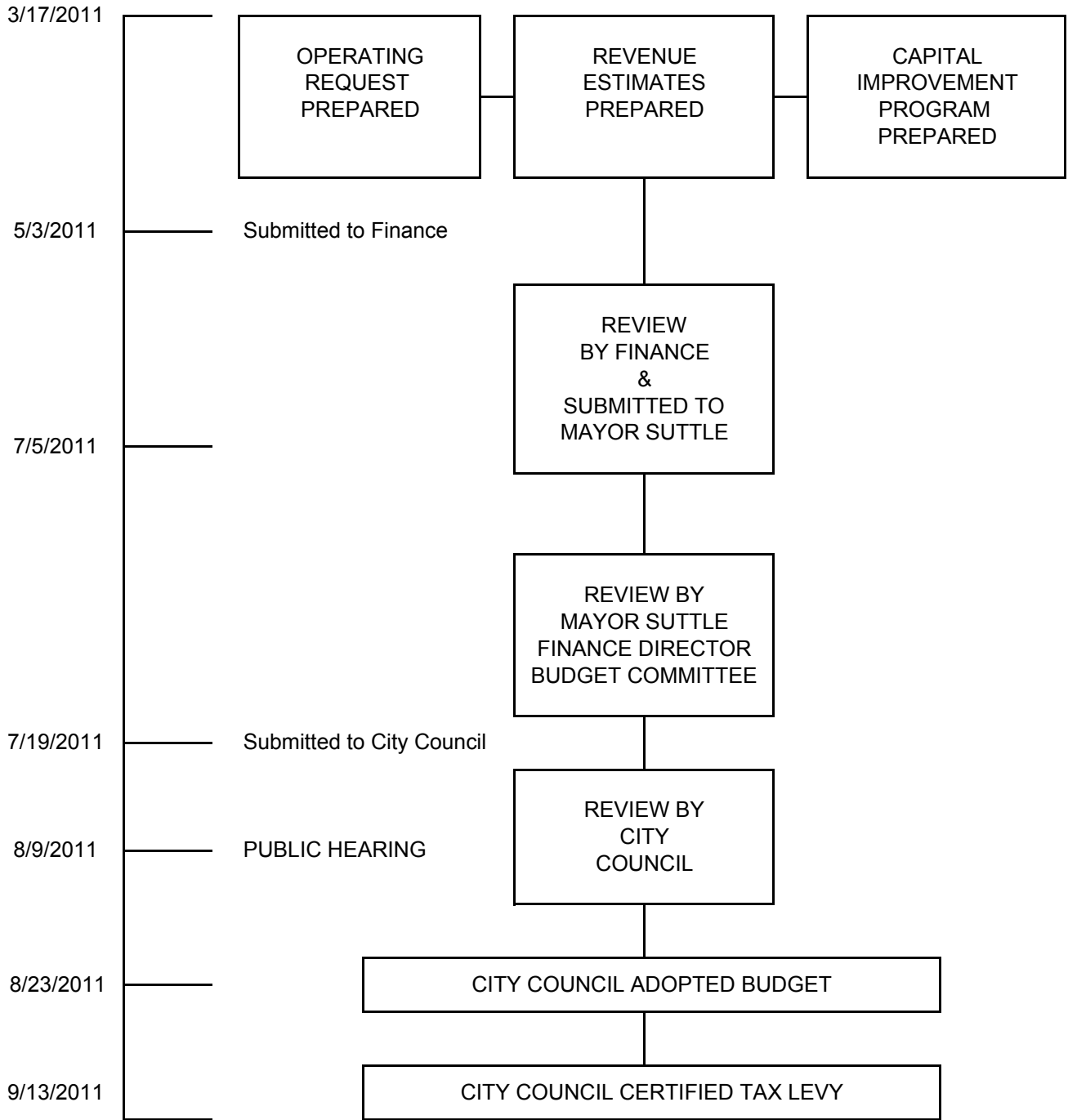
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# City of Omaha Budget Process



## THE BUDGET PROCESS

The procedure for the annual budget process, adoption of a tax levy, and amending the budget is specified in the following sections of the Home Rule Charter of the City of Omaha:

Section 5.04	Formulation and Submission of Budget
Section 5.05	Scope and Content of the Budget
Section 5.06	Consideration and Adoption of Budget by Council
Section 5.07	Tax Levy
Section 5.10	Transfer of Appropriations
Section 5.11	Emergency Appropriations

The following is a description of each of the steps taken to ensure compliance with the provisions of the Home Rule Charter and to incorporate modern fiscal management and municipal budgeting techniques.

### Initial Budget Preparation and Request

The 2012 Budget process began approximately March 10, 2011 with the process of forecasting 2012 revenues and projecting inflationary increases in regard to fixed costs such as health care, utilities and basic commodities. With this information in mind, preparation of the 2012 Budget request workpapers by the Budget Division staff of the Finance Department was initiated. The departments were instructed to submit any requests for new or expanded services in a separate request.

In order to assist the Departments in the preparation of their request, the 2012 Budget database included the following: (1) all classified and full-time employees listed by classification and salary step as of March 5, 2011; (2) all non-personal service expenditure line items detailing 2010 expenditures and 2011 line item appropriations by organization; (3) an equipment and capital analysis worksheet; if equipment and/or capital expenditures were expended or appropriated during the 2010-2011 period; (4) a five-year expenditure history detailing by line item each division's expenditures through 2010-2011; (5) 2012 wages calculated with fringe benefits based on current pay scales, projected, step increases and known contractual increases; (6) a memo detailing budget information, instructions and various standardized rates to be used in the budget request preparation process. The budget instructions and other pertinent guides were posted as an electronic link on the budget module.

The database was opened to the departments, divisions and agencies on March 28, 2011. The Budget Division of the Finance Department supplied technical assistance throughout the months of April and May to assist all departments in preparing their budget requests.

During the period of March 28 through May 3, 2011 the preparation of budget requests was performed by all departments, divisions and agencies. The preparation of fund statements and supporting schedules reflecting 2010 Actual and 2011 Budget information was performed by the Budget Division. The Revenue Division prepared revised forecasts of 2011 and 2012 revenues. These forecasts were reviewed by the Finance Director. The final date for submission of all budget request via the database to the Budget Division was May 3, 2011.

## **THE BUDGET PROCESS**

### **Capital Improvement Program**

The Capital Improvement Program (CIP), a requirement of the City's Home Rule Charter, is a policy document and financial plan which outlines the City's proposed capital projects for a six-year period. The CIP is designed to guide financial management of capital resources, policy planning and inter-departmental coordination through application and implementation of specific City goals.

Various City departments submit proposed capital improvement projects to the Mayor's Capital Improvement Program Task Force. This Task Force evaluates each of the proposed projects, assigns a preliminary priority ranking, and determines the proposed financing source(s). The prioritized list is then submitted to the Capital Improvement Priority Committee. Representatives from the Finance Department are members of both of these committees and provide financial guidance as to the total dollars available for capital expenditures for each of the six-years of the program. The first year of the program is proposed as the administration's capital budget and is incorporated into the City's annual budget. The final Capital Improvement Program plan is sent to the City Council for their review, consideration and adoption.

### **Budget Review by the Mayor**

The departments and divisions of City government, and various agencies, submitted their 2012 budget requests to the Budget Division of the Finance Department on May 3, 2011 as required by Section 5.05 (1) of the Home Rule Charter. The requests are recorded, tabulated, reviewed, and analyzed. Based on this analysis, the Finance Department makes recommendations concerning the requested amounts and also prepares an updated estimate of revenues based on current rates for taxes, fees, charges, licenses and permits. This information is then presented to the Budget Committee comprised of the Finance Director, the Mayor's Chief of Staff, the Mayor's Deputy Chief of Staff and the Budget Manager. At this point in the budget preparation process, it is usually the case that requested appropriations exceed projected revenues.

This information is then analyzed and consolidated by the Committee and sent to the Mayor. It is his task to determine priorities, assess current and future needs, make long range plans through integration of the Capital Improvement Program and review staffing levels, requested appropriations and projected revenues. This review for the 2012 Budget was conducted by the Mayor in the time frame of May 24, 2011 to June 23, 2011 in conjunction with the Mayor's staff, the Finance Director and department and division heads. In accordance with Section 5.04 (2), the Mayor then makes all final decisions concerning staffing levels, funding levels for all departments, divisions and outside agencies, capital improvements, revenue estimates, and any changes in tax rates, cost recovery fees and other charges. This financial plan then comprises the Recommended Budget which is sent to the City Council for review, consideration and adoption.

### **Introduction of the Recommended Budget**

The Recommended Budget is presented to the City Council for its consideration no later than thirty days before the tax levy certification date in accordance with Section 5.04 (3) of the Home Rule Charter. The Mayor introduces the Recommended Budget at a regularly scheduled meeting of the City Council by reading aloud a budget message. The text of this budget message, comparative data for the current and immediately past budgets, and all other statements and schedules as required by Section 5.05 of the Home Rule Charter, are included in the printed budget document. Upon submission, the budget becomes a public record and is open to public inspection. The 2012 Recommended Budget was presented to the Omaha City Council on July 19, 2011.

## **THE BUDGET PROCESS**

### **Budget Review by City Council**

After the introduction of the Recommended Budget, the City Council begins its deliberations and review of the financial plan developed by the Mayor and his staff. Consideration of the budget by the City Council is required by Section 5.06 of the Home Rule Charter and is accomplished through a series of budget hearings which are open to the public and news media. All budget hearings are held in the City Council Conference Room and a schedule of the hearings is posted in advance. At the budget hearings, the Finance Director presents an overview of the budget to inform the City Council of various changes, assumptions, increases and decreases included in the Recommended Budget. Each department director in turn, then presents opening remarks concerning the budget for his/her department and responds to questions and receives comments from the individual council members. At the end of the budget hearing, the Finance Director presents concluding remarks representing the administration's position and answers any questions that may have arisen during the course of the hearings. Upon conclusion of the budget hearings, the City Council is then prepared to receive citizen input and to submit budget revision resolutions in preparation for final adoption of the budget.

### **Citizen Input**

The City Council set a public hearing date of August 9, 2011 at 7:00 p.m. in the Legislative Chambers of the Omaha/Douglas Civic Center. Section 5.06 of the Home Rule Charter stipulates that the public hearing must be held at least ten days prior to the tax levy certification date. The public hearing was held in the evening hours to provide as many citizens as possible with the opportunity to offer testimony to the City Council. The budget presentation generates press coverage. Daily newspapers, television and radio stations report budget highlights and statistics. Following the budget presentation, copies of the Mayor's Recommended Budget are available to the general public for visual inspection and study at the twelve public libraries, in the City Clerk's office and in the Finance Department. The budget is also posted on the City of Omaha website.

### **Adoption of the Budget and Tax Levy Certification**

After the public hearing, the City Council may, by resolution, make changes to the Recommended Budget. Certain stipulations, however, do exist. Section 5.06 of the Home Rule Charter provides that the City Council may revise the expenditure side of the budget by increasing, decreasing, inserting or deleting appropriation items, except that it cannot reduce appropriations for debt service. Expenditure revision resolutions require a simple majority for passage. The City Council may also introduce resolutions to revise revenue estimates, however, these revision resolutions require an affirmative vote from five of the seven council members. After all amending resolutions have been acted upon, the City Council adopts a final budget resolution by majority vote. The Mayor may veto any of the budget revision resolutions and the City Council may sustain or, with five affirmative votes, override the Mayor's veto. By adopting the budget, the City Council authorizes appropriations by department, division, agency or account for the ensuing budget year. The Charter provides that the budget, as adopted, be reproduced and copies made available to the general public and governmental agencies. Copies of the adopted budget are made available to the public at the twelve public libraries, the City Clerk's office and the Finance Department. The budget is also posted on the City of Omaha website.

After adopting the budget, but no later than October 14th of 2011, the City Council must certify a tax levy. Section 5.07 of the Home Rule Charter provides that the City Council, on the basis of the final budget, shall adopt a resolution certifying a single City of Omaha tax levy for the ensuing fiscal year. The single City of Omaha tax levy certified in any year is limited to \$.6125 per \$100 of actual taxable value for the City's General Fund plus whatever tax levy is necessary to pay principal, interest and administrative expenses on the indebtedness of the City, and for the satisfaction of judgments and litigation expenses against the City.

## **THE BUDGET PROCESS**

The 2012 Budget was adopted on Tuesday, August 23, 2011. The City Council on September 13, 2011, certified a single tax levy rate of \$.49922 per \$100 of actual valuation for 2012 consisting of \$.28447 for the General Fund, \$.19281 for the Debt Service Fund, \$.00600 for the Judgment Fund and \$.01594 for the Redevelopment Fund.

### **Amending the Budget**

The Home Rule Charter provides for amending the budget through the provisions of Sections 5.10 and 5.11.

Basically, there are three types of budget transfers, each requiring a successive level of authority. First, the Mayor may, at any time, transfer an unencumbered appropriation balance or portion thereof between appropriations of the same division. Second, transfers between divisions in the same department may be authorized by resolution of the City Council. Third, transfers between departments/agencies may be authorized by ordinance of the City Council.

Public comment on resolutions are heard before the City Council votes on the resolution. Public comment on ordinances are heard after the second reading of the ordinance. Ordinances are advertised in a newspaper of public circulation after the first reading of that ordinance.

To meet a public emergency threatening serious loss of life, health or property, the City Council may, by ordinance, make emergency appropriations or transfers. An ordinance may be passed as an emergency measure after one reading when the City Council finds that an emergency exists pursuant to the Home Rule Charter, Section 2.13. If there are no unappropriated monies available, the City Council may, by ordinance, authorize the issuance of emergency notes.

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## **2012 Budget Presentation by**

### **Mayor Jim Suttle**

We are embarking on our eighth week of battling rising water levels on the Missouri River which continue to threaten residents and businesses along the riverfront in Omaha. Although we have planned for the worst, we are optimistic and working for the best.

This experience has taught me a great deal about what the people of Omaha are truly made of. Our citizens don't walk away from a challenge and are willing to do what it takes to keep our city moving forward.

We've demonstrated throughout this challenge that as a community we are at our best when we plan ahead and pull together for the greater good of our city. What has impressed me most is watching agencies from all levels of government, the private sector and individual volunteers rally to keep our city dry and our people safe. It is inspiring.

City employees have worked tirelessly, taking on additional responsibilities, and demonstrating a strong commitment to the welfare of this great city. They have worked in harmony to keep our airport open, to keep sewage from backing into our neighborhoods, and to protect hundreds of millions of dollars in assets and thousands of jobs. I would like to give my sincere thanks to each and every one of our dedicated city employees.

Our city's budget is another shining example of what happens when all of us pull together to solve the problems we face in our community, no matter how insurmountable the challenges may seem at first. After two difficult years of overcoming serious budget shortfalls your willingness to work with me to get our financial house in order has paid off. Today, I am pleased to tell you we will be able to pay for vital city services this year without increasing taxes!

The budget before you today is a responsible one and a strategic one. It positions city government for long term success in responding to the public's need for services. Most importantly it has been designed with the people of Omaha's best interest in mind, now and in the future.

We are pulling out of this recession in better shape than most cities across the country but we cannot afford to throw caution to the wind. We must continue to keep our eyes open for

unexpected events around the corner. We restored financial stability to our city by reducing expenses and implementing efficiencies throughout our city departments.

Our goal for twenty-twelve is to maintain and manage our accounts by planning ahead, and forecasting our needs in five year increments. We have the technology to project our finances, next year, the year after and the year after that. It is in the best interest of taxpayers to know what lies ahead and avoid surprises so they too can be prepared for the future.

Twelve months ago I asked for your support in navigating out of extremely rough financial waters. I asked for your patience. Together we did the heavy lifting and are now seeing positive results. Significant spending cuts combined with minimal tax increases made it possible for us to be in the black today. I want to sincerely thank you for your support and for your commitment to the people we serve.

Let me repeat. This city is at its best when we work together and confront the challenges we face, head on. Our city employees and our taxpayers also deserve credit for their willingness to work with us through the city's financial problems.

The 2012 budget reflects responsible spending and responsible savings. We are changing the way we do business, so taxpayers can get the most from every dollar they spend. The City of Omaha has the challenge of maintaining quality services while operating as efficiently and effectively as possible.

Performance based budgeting is an excellent example of well thought out efficiency measures that enable our city departments to offer cost effective services. It focuses financial resources on services demonstrated to work in the best interest of the people we serve.

The Omaha Fire Department has been using this model for two years. They have strategically repositioned people and equipment to optimize their services.

As a result Omaha firefighters;

- Continue to meet their response times
- They have not had a fire related death in 30 months
- They have saved the city nearly 11 million dollars over two years and
- Will be under budget this year for the second time in a row. This is a first.

I would like to thank the entire Fire Department for their commitment to the people of Omaha.

Both the Omaha Police and Fire Departments reduced their staff numbers again, which is expected to generate significant cost savings for 2012. The 2012 budget provides for increased pension contributions by Police and Fire as part of our long term strategy to solve the unfunded pension liability.

The City continues to leverage technology as a way of increasing efficiencies and streamlining government operations. In 2012 we will see most tax payments available on-line. Building permits will be going on line, reducing long application schedules and eliminating a frustrating process for businesses and developers. We also implemented on-line scheduling for golf courses and more e-government is on the way.

For the first time ever, hundreds of citizens in Omaha weighed-in on the budget through a virtual town hall system called engageOmaha.com, and we listened. Park Security was repeatedly mentioned as a priority to the people we serve and as a result we created a division within the Parks Department dedicated to park security in the 2012 budget.

Our overall goal is to turn the tide on shortsighted decision-making which may produce short term political benefits but prevents city government from providing quality services to its' residents. City streets have been sacrificed to avoid making tough decisions and we must change that. In 2012, I am proposing a ten year plan to put residential street light funding back into the general fund, freeing up money for much needed street maintenance and repairs. I am also continuing a long term plan to build our cash reserves so we can be better prepared to make responsible decisions for our community and our children who depend on us to protect their future interests. I would ask for your help in reaching these goals.

If we don't start looking ahead our city will always be operating in crisis mode. Benjamin Franklin said, "by failing to prepare, you are preparing to fail." No one can predict when the next financial crisis or major weather event will take place. We know the consequences of not being prepared for a bad economy. We also understand the sense of security that comes from working together, being prepared and staying ahead of flood waters.

We have an opportunity and a responsibility to the people who elected us to serve in their best interest. I ask that you consider this twenty-twelve budget request and build on what we have achieved together.

Dr. Martin Luther King said "the time is always right to do what is right."

We have come this far together doing what is right for Omaha, and we will continue to be at our best when we pull together for the greater good of this community.

Jim Suttle

Mayor of Omaha

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