

Long-Range Financial Planning

January 18, 2022



Long-Range Financial Planning

Purpose

- Encourage discussion and inspire a long-range perspective for decision-makers.
- Serve as a tool to prevent financial challenges.
- Stimulate long-term and strategic thinking.
- Can provide consensus on long-term financial direction.
- Useful for communications with internal and external stakeholders.

Not a Budget



Projection of financial trends & outcomes



Statement of expected revenues & expenditures

Caveats

- Single Point in Time
- Things Change
- Asset Planning Work (*facilities, equipment, etc.*)
- Risk Factors

La Vista's Long-Range Focus

- Strategic Planning
- Biennial Budget (with multi-year projections)
- Long-Range Financial Planning

Approach

Modest Assumptions

- Conservative revenue projections
- Moderate expenditure projections & timing
- Does not factor in all anticipated opportunities (ex. new hotels, indirect revenue from new projects)

Approach

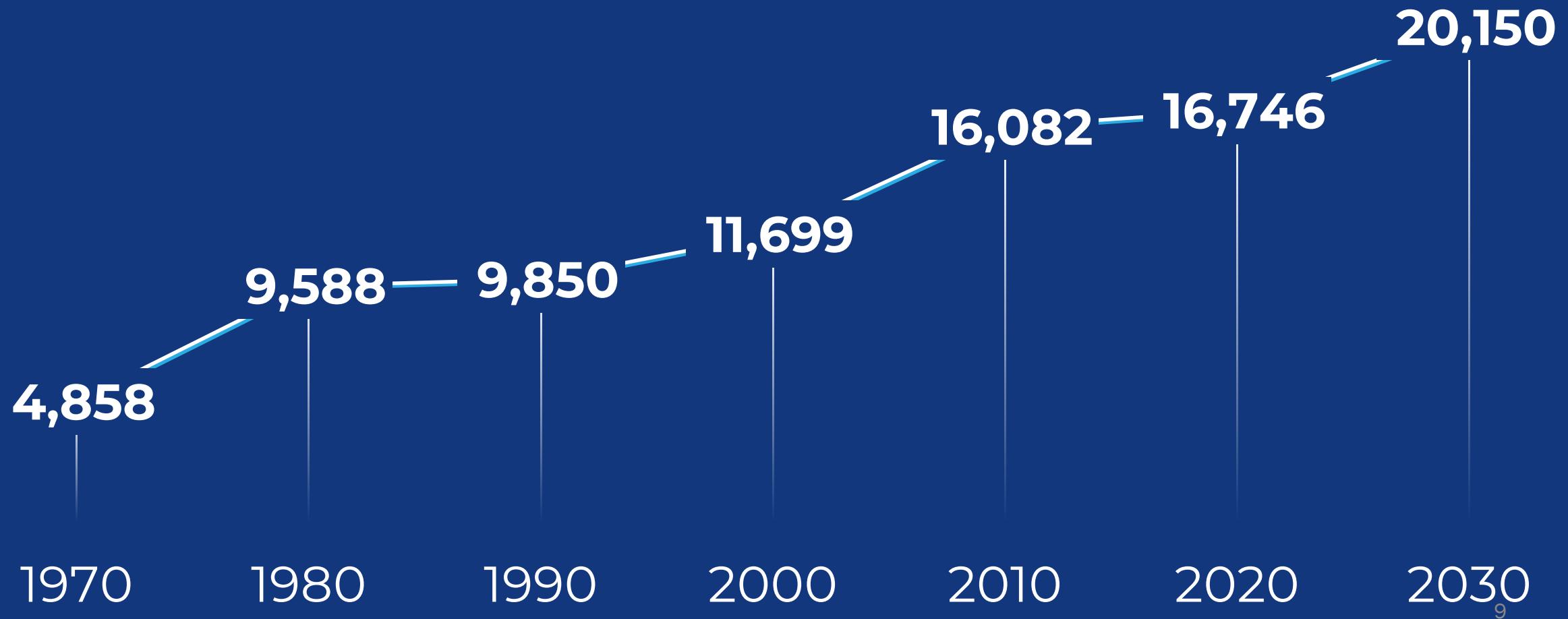
Current Situation

- Current operations & maintenance costs
- O & M associated with new public infrastructure & projects
- Existing debt obligations
- Existing contractual obligations
- 3 of Top 10 Busiest Intersections in Sarpy County
- Anticipated 20% population growth during forecast period
- 500,000+ additional annual visitors (FY24 & beyond)

Growth Assumptions

- State-of-the-Art Indoor/Outdoor Specialty Performance Venue
- Premier Destination Sports Complex
- Population Estimates at Buildout
 - ❖ City Centre 797
 - ❖ Portal Ridge 655
 - ❖ Cimarron Woods 1,942

POPULATION GROWTH 1970 - 2030



Considerations

- July 2025 sunset of ½ Cent Sales Tax to fund street improvements and other capital expenditures
- Restaurant Tax review

Forecast Background

Baseline

½ cent sales tax sunset – June 2025

Restaurant tax rate adjusted to maintain \$700k annually

Repayment of EDP loan

Operational Impact - City Centre, Astro, & NMSC

Remove Capital Improvement Program in FY23-26

Modified Baseline

- Personal property tax exemption reinstated in FY23
- Annexation – Portal Ridge (SID 276) Net Impact
- Annexation – Cimarron Woods (SID 237) Net Impact

Forecast Background

Modified Baseline

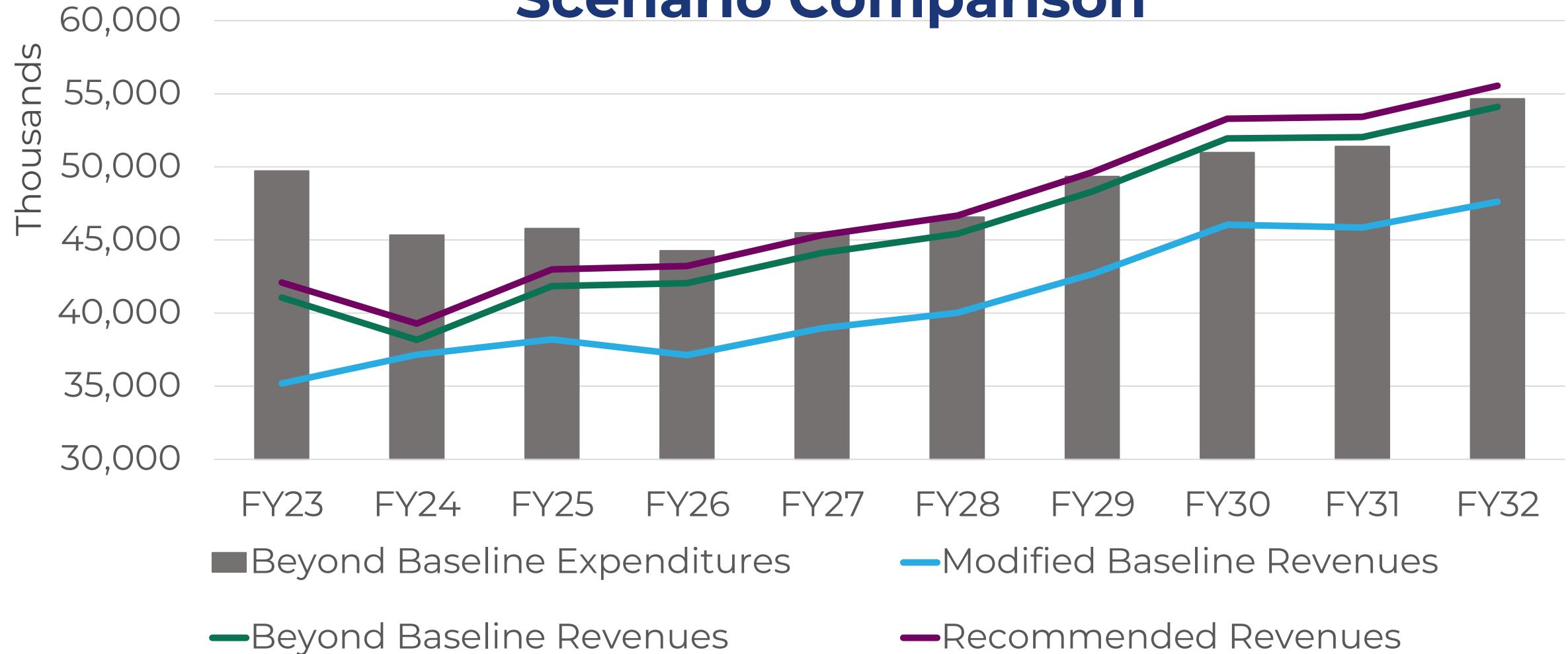
Beyond Baseline

- Reallocate .01 property tax levy from DSF to GF
- Voter approval to continue ½ cent sales tax
- Voter approval of unrestricted restaurant tax at 1.5%
- Event parking fee adjustment
- Restore FY23-26 CIP

Recommended

- Restore property tax to .55 (1-cent) to DSF
- Voter approval of unrestricted restaurant tax at 2.5%

All Funds Revenues & Expenditures - Scenario Comparison



Key Takeaways

- Solid financial footing overall
- Stage is set for economic growth
- Growth significantly impacts **General Fund** O&M
- Additional General Fund revenue necessary
- Debt capacity remains healthy overall

The Funding Puzzle



General Fund

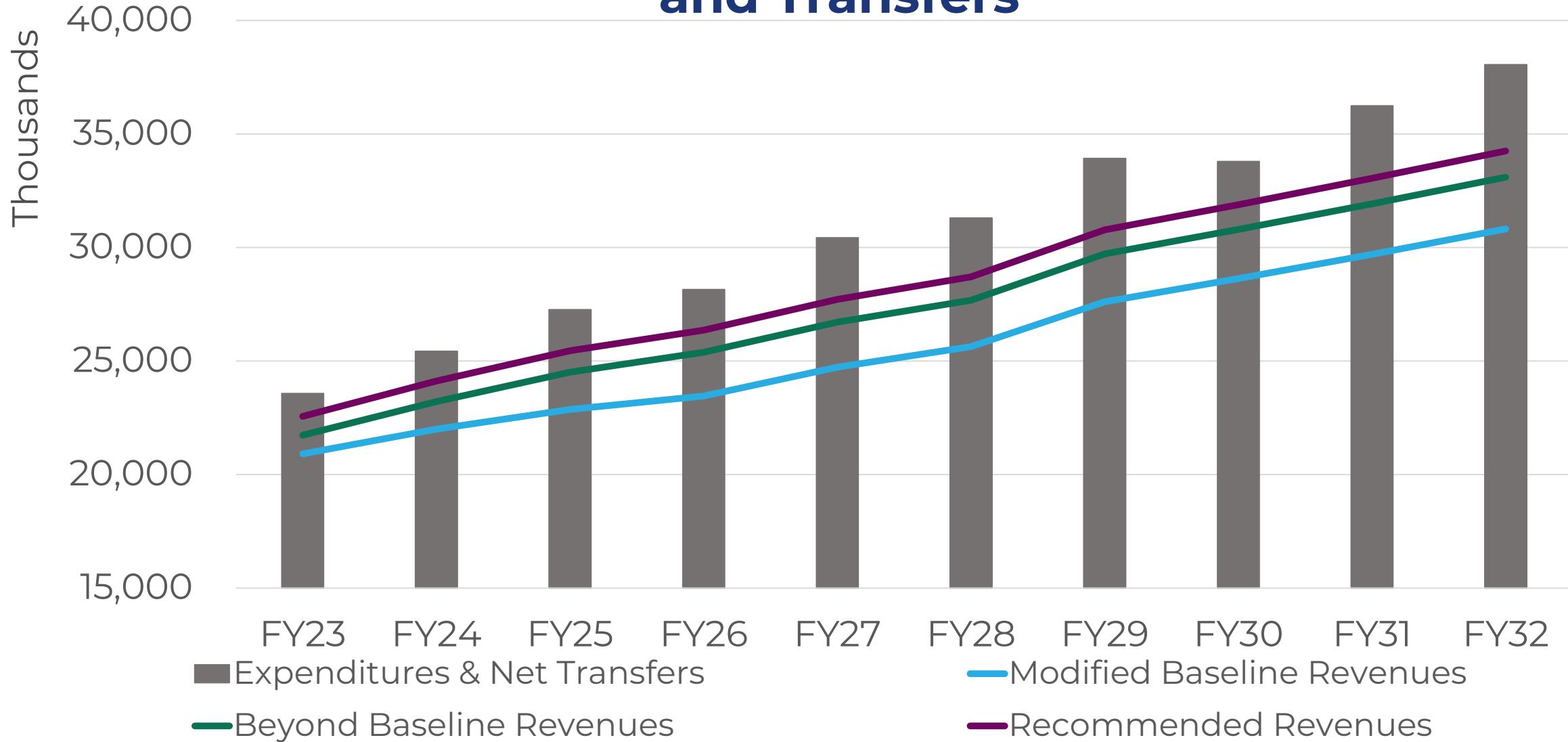
General Fund Highlights

- Increased Staffing
- Annexations
 - Portal Ridge – FY26
 - Cimarron Woods – FY28
- Economic Development Program Reimbursement

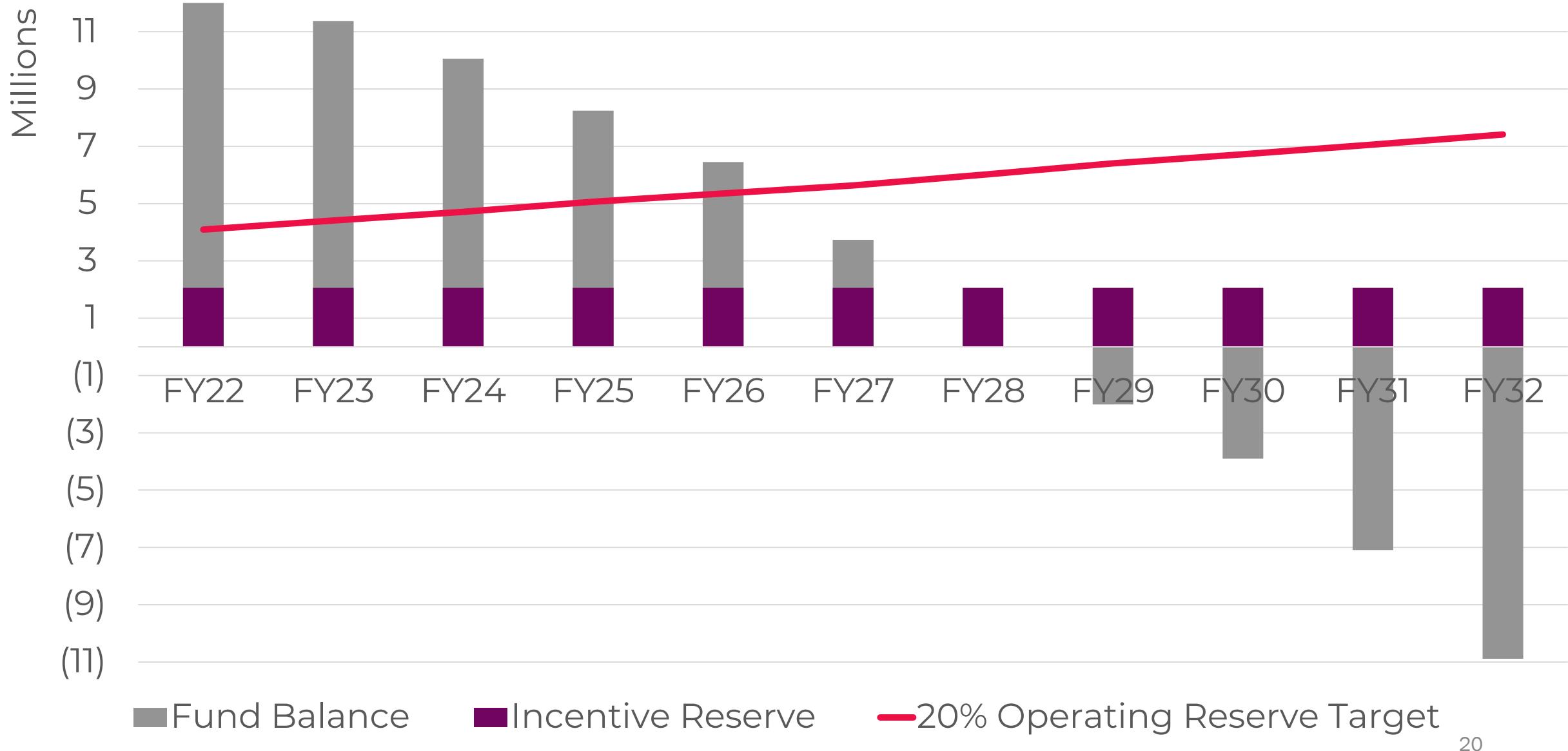
| Additional Staffing Summary – Modified Baseline | | | | | | |
|---|----------------------------|--------------------------|----------------------------|-------------|------|-------------|
| FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 |
| Police Officer (2), June | Recreation Attendants | Police Officer (2), Dec. | Community Services Officer | Streets MW1 | | Streets MW1 |
| | Parks Seasonal | | | Sewer MW1 | | Sewer MW1 |
| | Parks - MW1 | | | | | |
| | Parks MW Landscape | | | | | |
| | Police Officer (3), Dec. | | | | | |
| | Police Training Sgt., Dec. | | | | | |

| General Fund Projections - Modified Baseline | | | | | | | | | | |
|--|-----------------|-----------------|-----------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Thousands | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 | FY31 | FY32 |
| Revenue | | | | | | | | | | |
| Property Tax | \$10,100 | \$10,389 | \$10,686 | \$11,005 | \$11,777 | \$12,129 | \$13,515 | \$13,920 | \$14,338 | \$14,767 |
| Sales Tax | \$4,917 | \$5,563 | \$5,977 | \$6,105 | \$6,476 | \$6,867 | \$7,281 | \$7,718 | \$8,181 | \$8,671 |
| Hotel Occupancy Tax | \$1,035 | \$1,089 | \$1,129 | \$1,165 | \$1,199 | \$1,235 | \$1,271 | \$1,308 | \$1,348 | \$1,387 |
| Parking Fees | \$24 | \$47 | \$47 | \$47 | \$47 | \$47 | \$47 | \$47 | \$47 | \$47 |
| Other | \$4,833 | \$4,909 | \$5,025 | \$5,135 | \$5,228 | \$5,357 | \$5,492 | \$5,634 | \$5,783 | \$5,938 |
| Total Revenue | \$20,909 | \$21,997 | \$22,864 | \$23,457 | \$24,726 | \$25,635 | \$27,606 | \$28,628 | \$29,696 | \$30,810 |
| Expenditure | | | | | | | | | | |
| Personnel | \$13,981 | \$15,114 | \$16,036 | \$16,984 | \$17,869 | \$18,852 | \$19,737 | \$20,662 | \$21,634 | \$22,666 |
| Commodities | \$644 | \$654 | \$673 | \$698 | \$719 | \$754 | \$771 | \$794 | \$818 | \$842 |
| Contractual Services | \$6,269 | \$6,605 | \$7,381 | \$7,815 | \$8,274 | \$9,030 | \$10,029 | \$10,629 | \$11,263 | \$11,941 |
| Maintenance | \$787 | \$795 | \$814 | \$847 | \$872 | \$943 | \$971 | \$1,000 | \$1,030 | \$1,060 |
| Other | \$380 | \$392 | \$404 | \$422 | \$445 | \$470 | \$496 | \$518 | \$541 | \$566 |
| Capital Outlay | \$600 | \$600 | \$694 | \$600 | \$960 | \$600 | \$600 | \$600 | \$600 | \$600 |
| Total Expenditures | \$22,661 | \$24,160 | \$26,003 | \$27,366 | \$29,139 | \$30,649 | \$32,604 | \$34,202 | \$35,886 | \$37,675 |
| Net Transfer | (\$975) | (\$1,213) | (\$1,241) | (\$766) | (\$1,290) | (\$645) | (\$1,617) | \$418 | (\$347) | (\$667) |
| Net Impact (actual) | (\$2,727) | (\$3,376) | (\$4,380) | (\$4,675) | (\$5,703) | (\$5,658) | (\$6,614) | (\$5,157) | (\$6,536) | (\$7,531) |
| Fund Balance | \$9,639 | \$6,264 | \$1,884 | (\$2,791) | (\$8,494) | (\$14,153) | (\$20,767) | (\$25,923) | (\$32,460) | (\$39,991) |
| Operating Reserve | 44% | 27% | 7% | -10% | -30% | -47% | -65% | -77% | -92% | -108% |

General Fund Revenues, Expenditures, and Transfers



General Fund Balance & Incentive Reserve



Projected Restaurant Tax Revenue

| Fiscal Year | At 1.5% | At 2.5% |
|----------------------|---------------------|---------------------|
| FY23 | 1,254,316 | 2,090,527 |
| FY24 | 1,369,072 | 2,281,787 |
| FY25 | 1,410,144 | 2,350,240 |
| FY26 | 1,452,449 | 2,420,748 |
| FY27 | 1,496,022 | 2,493,370 |
| FY28 | 1,540,903 | 2,568,171 |
| FY29 | 1,587,130 | 2,645,216 |
| FY30 | 1,634,744 | 2,724,573 |
| FY31 | 1,683,786 | 2,806,310 |
| FY32 | 1,734,299 | 2,890,499 |
| 10-Year Total | \$15,162,865 | \$25,271,441 |

Overall Visitation 2019

La Vista Commercial Districts - 2019 Visitor Origins

Sorted by largest percentage of visits from outside La Vista

| Location | Percent from within La Vista City Limits | Percent from outside La Vista City Limits | Percent from within 10 miles | Length of Stay (in minutes) |
|---|---|--|---------------------------------|--------------------------------|
| 1) Papio Valley Business Park & Brook Valley II Business Park | 3.6% | 96.4% | 65.5% | 139 |
| 2) Southport Retail | 4.0% | 96.0% | 61.0% | 173 |
| 3) Brook Valley BP, Oakdale Park, Val Verde, & Harrison Hills | 4.3% | 95.7% | 77.3% | 123 |
| 4) 84th Street (north of Giles Rd) | 14.0% | 86.0% | 86.8% | 65 |
| 5) 96th and Giles Rd | 17.2% | 82.8% | 89.0% | 67 |

Source: Placer.ai

Overall Visitation 2021

La Vista Commercial Districts - 2021 Visitor Origins

Exact dates surveyed are Dec 6, 2020 to Dec 5, 2021 (365 days)

| Location | Percent from within La Vista City Limits | Percent from outside La Vista City Limits | Percent from within 10 miles | Length of Stay (in minutes) |
|---|---|--|---------------------------------|--------------------------------|
| 1) Southport Retail | 4.1% | 95.9% | 61.8% | 143 |
| 2) Papio Valley Business Park & Brook Valley II Business Park | 4.5% | 95.5% | 67.8% | 127 |
| 3) Brook Valley BP, Oakdale Park, Val Verde, & Harrison Hills | 5.4% | 94.6% | 74.0% | 121 |
| 4) 84th Street (north of Giles Rd) | 14.7% | 85.4% | 83.7% | 101 |
| 5) 96th and Giles Rd | 18.3% | 81.7% | 88.0% | 80 |

Source: Placer.ai

Visitor Statistics La Vista, NE

96th St & Giles Road Retail Area 2019

Percent of Total Visits
Originating in La Vista

2019 **17.2%**

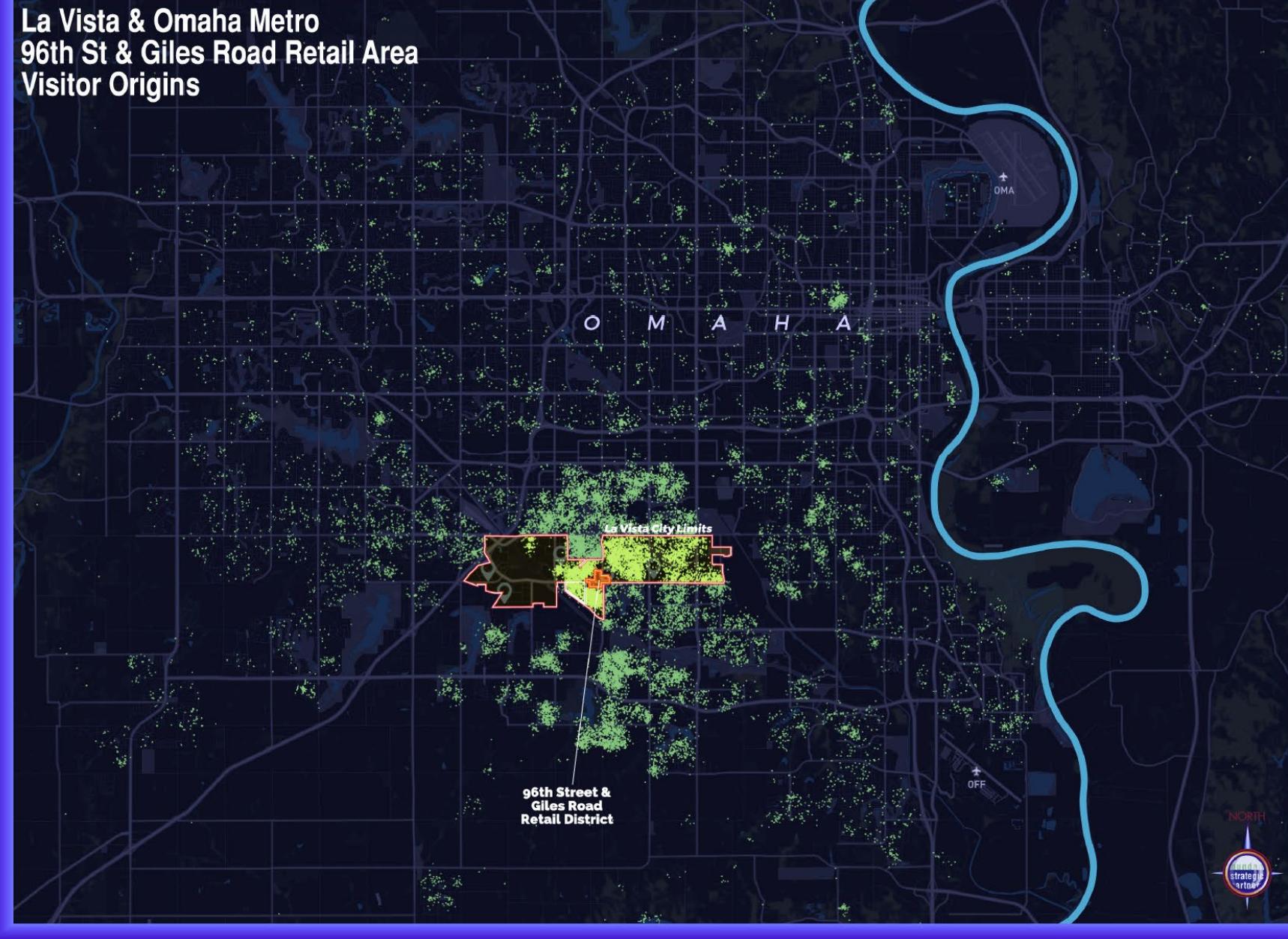
2021 **18.3%**

From within 10 miles

2019 **89.0%**

2021 **88.0%**

Avg HH Income: **\$89.5K**



Visitor Statistics La Vista, NE

Southport Retail & Hotels 2019

Percent of Total Visits
Originating in La Vista

2019 **4.0%**

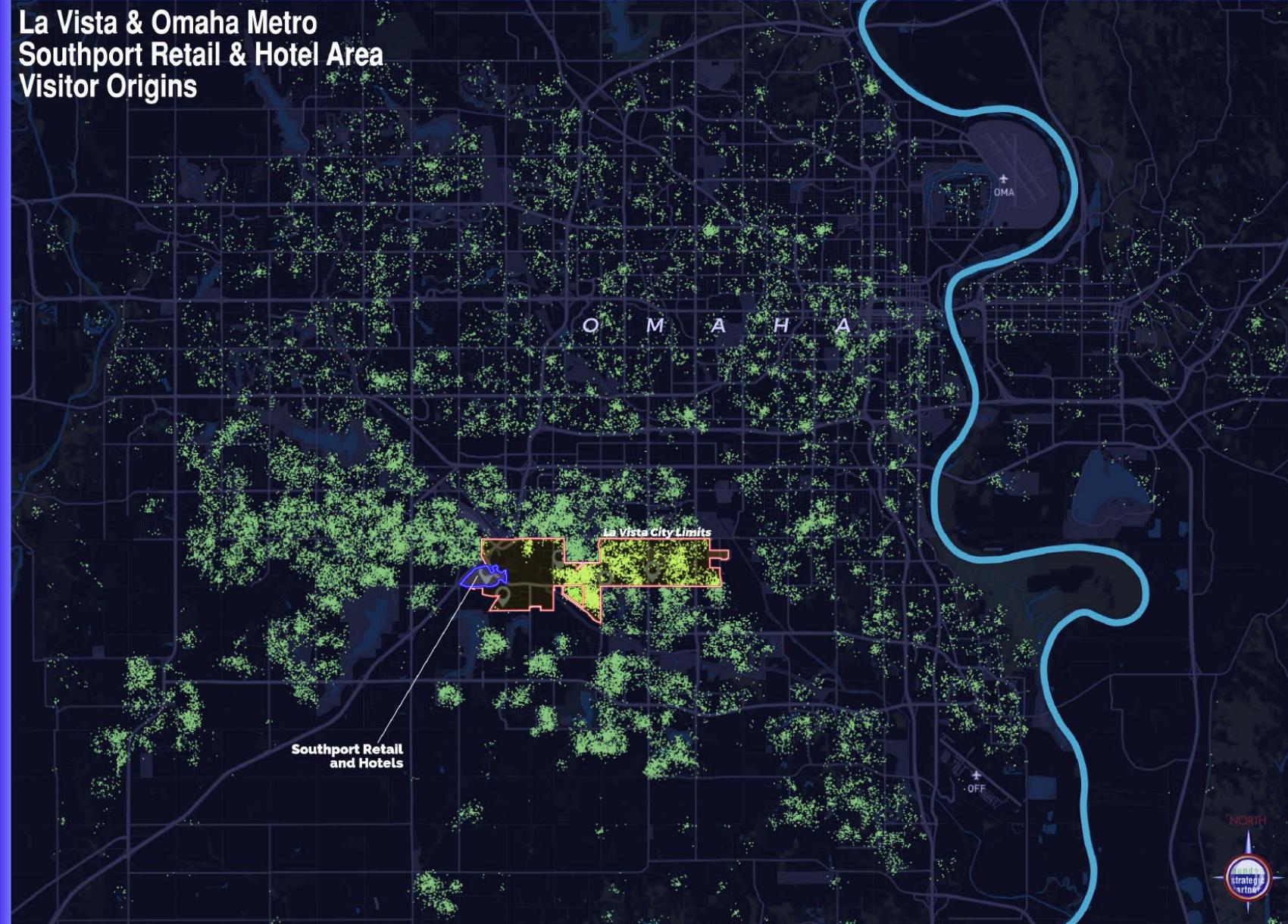
2021 **4.1%**

From within 10 miles

2019 **61.0%**

2021 **61.8%**

Avg HH Income: **\$92.8K**



Why the Restaurant Tax?

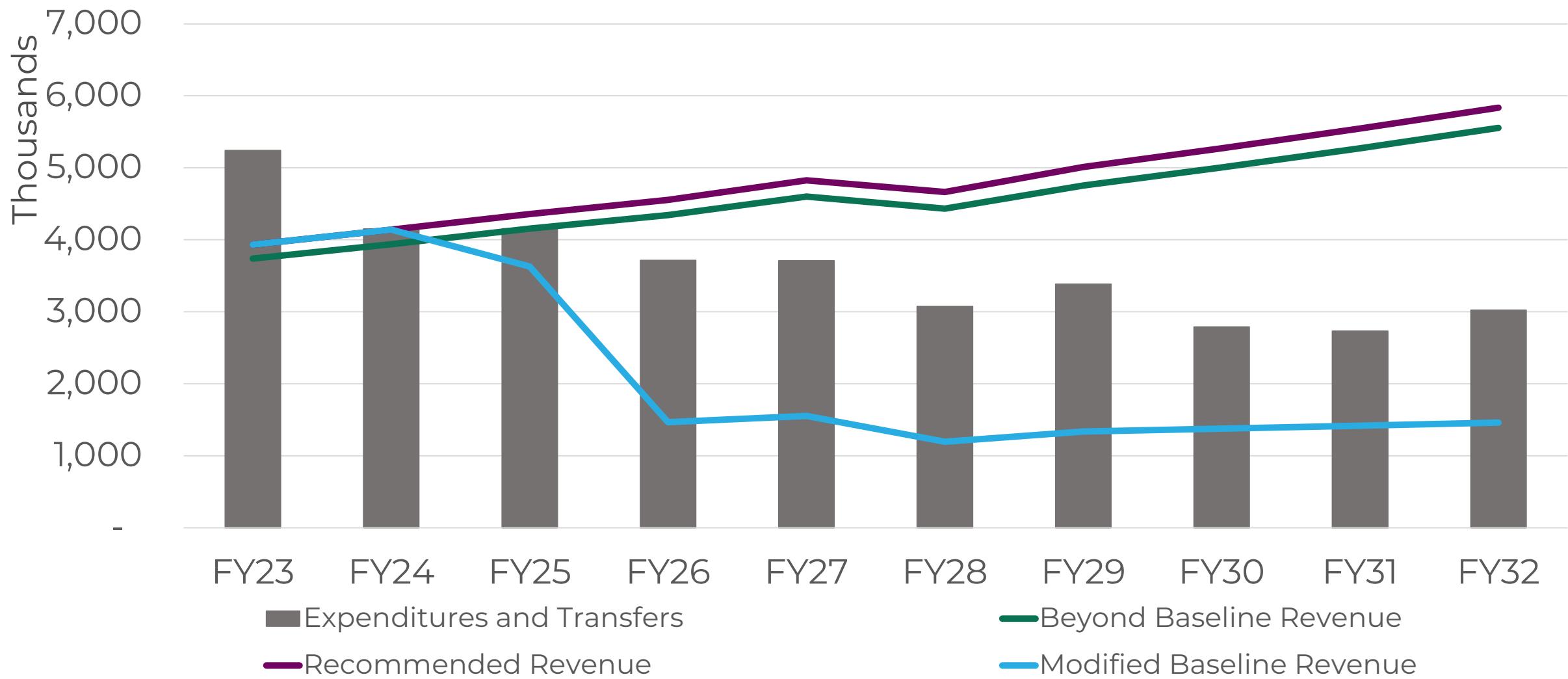
- On average, 90%+ of consumers are non-residents
- Non-resident consumers use our infrastructure and City services
 - Visitors help pay for the maintenance and increased services
- At 2.5%, generates over \$25M during forecast period

Debt Service

Debt Service Fund - Modified Baseline

| Thousands | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 | FY31 | FY32 |
|------------------------------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|-----------------|-----------------|-----------------|
| Revenue | | | | | | | | | | |
| Property Tax | \$973 | \$1,002 | \$1,032 | \$1,062 | \$1,139 | \$1,173 | \$1,313 | \$1,352 | \$1,393 | \$1,435 |
| Sales Tax | \$2,431 | \$2,719 | \$2,185 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Papillion Fire MFO | \$529 | \$419 | \$415 | \$406 | \$414 | \$24 | \$24 | \$25 | \$26 | \$26 |
| Total Revenue | \$3,933 | \$4,140 | \$3,631 | \$1,468 | \$1,553 | \$1,197 | \$1,337 | \$1,377 | \$1,419 | \$1,461 |
| Expenditure | | | | | | | | | | |
| Total Debt Service | \$2,473 | \$1,801 | \$1,773 | \$1,821 | \$1,815 | \$1,182 | \$1,192 | \$894 | \$841 | \$833 |
| Other - PFD | \$288 | \$235 | \$237 | \$237 | \$238 | \$238 | \$239 | \$240 | \$240 | \$240 |
| Total Expenditures | \$2,761 | \$2,036 | \$2,010 | \$2,058 | \$2,053 | \$1,420 | \$1,431 | \$1,134 | \$1,081 | \$1,073 |
| Net Transfer | (\$1,787) | (\$1,796) | (\$1,794) | (\$1,235) | (\$1,237) | (\$1,237) | (\$1,232) | (\$1,237) | (\$1,236) | (\$1,233) |
| Net Impact (actual) | (\$615) | \$308 | (\$172) | (\$1,825) | (\$1,737) | (\$1,460) | (\$1,326) | (\$994) | (\$898) | (\$845) |
| Fund Balance | \$2,030 | \$2,337 | \$2,165 | \$340 | -\$1,397 | -\$2,857 | -\$4,183 | -\$5,177 | -\$6,076 | -\$6,921 |
| Debt Service Coverage Ratio | 0.88 | 1.09 | 0.96 | 0.45 | 0.47 | 0.45 | 0.51 | 0.59 | 0.62 | 0.64 |

Debt Service Fund Revenue, Expenditures, & Transfer Projections



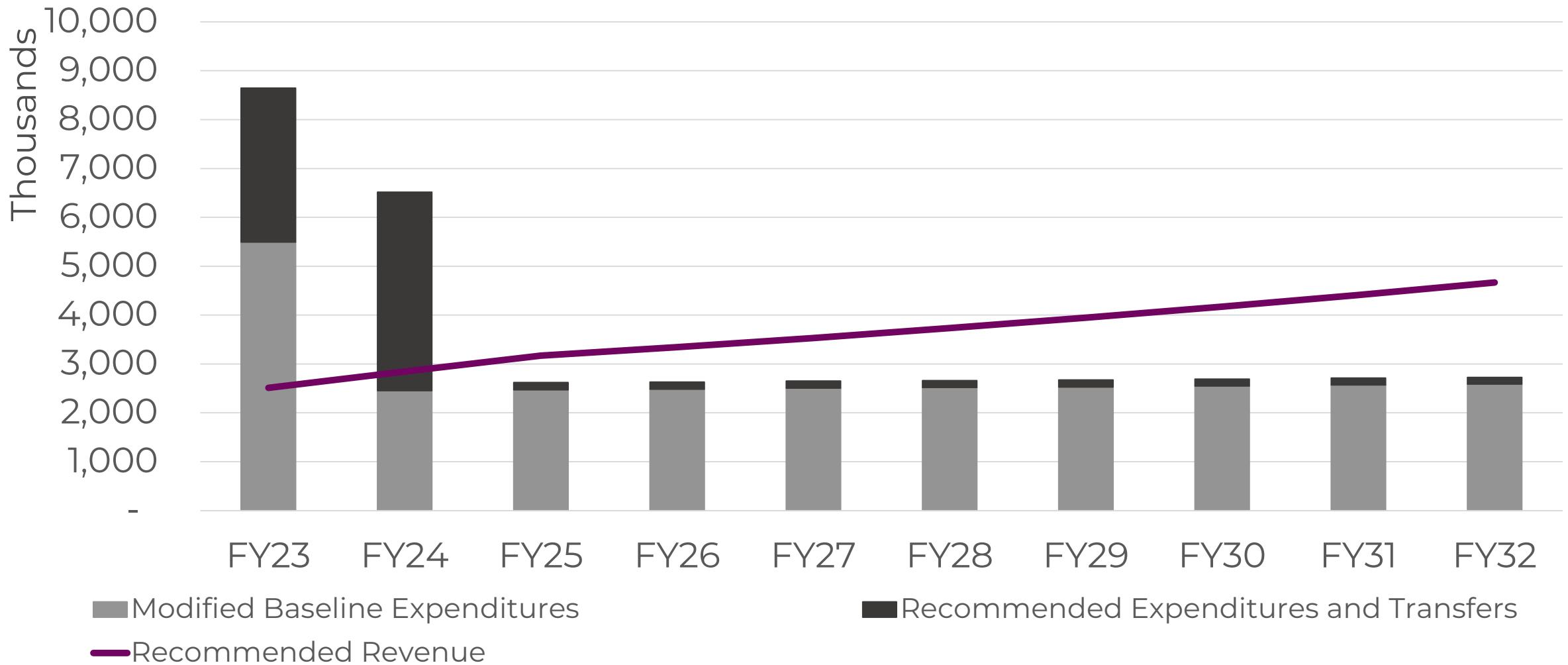
Projected Debt Service Coverage Ratio

| | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 | FY31 | FY32 |
|------------------------|------|------|------|------|------|------|------|------|------|------|
| DSCR Target | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Modified | .88 | 1.09 | .96 | .45 | .47 | .45 | .51 | .59 | .62 | .64 |
| Beyond Baseline | .82 | .95 | 1.00 | 1.18 | 1.25 | 1.45 | 1.41 | 1.81 | 1.94 | 1.85 |
| Recommended | 0.86 | 1.00 | 1.05 | 1.23 | 1.31 | 1.53 | 1.49 | 1.90 | 2.05 | 1.94 |

Redevelopment Fund

| Redevelopment Fund - Modified Baseline | | | | | | | | | | |
|--|------------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Thousands | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 | FY31 | FY32 |
| Revenue | | | | | | | | | | |
| Sales Tax | \$2,431 | \$2,719 | \$2,913 | \$2,958 | \$3,141 | \$3,335 | \$3,540 | \$3,757 | \$3,987 | \$4,230 |
| GBOT | \$58 | \$117 | \$247 | \$252 | \$257 | \$263 | \$268 | \$273 | \$279 | \$285 |
| Interest Income | \$21 | \$18 | \$19 | \$20 | \$20 | \$24 | \$27 | \$30 | \$34 | \$39 |
| Total Revenue | \$2,510 | \$2,854 | \$3,179 | \$3,230 | \$3,419 | \$3,621 | \$3,835 | \$4,061 | \$4,300 | \$4,553 |
| Expenditure | | | | | | | | | | |
| Debt Service | \$2,157 | \$2,151 | \$2,156 | \$2,152 | \$2,155 | \$2,151 | \$2,144 | \$2,146 | \$2,146 | \$2,143 |
| Construction | \$3,050 | - | - | - | - | - | - | - | - | - |
| Other | \$286 | \$301 | \$316 | \$332 | \$348 | \$365 | \$384 | \$403 | \$423 | \$444 |
| Total Expenditures | \$5,493 | \$2,452 | \$2,472 | \$2,483 | \$2,503 | \$2,516 | \$2,528 | \$2,549 | \$2,568 | \$2,587 |
| Net Impact (actual) | (\$2,983) | \$402 | \$706 | \$747 | \$916 | \$1,105 | \$1,307 | \$1,512 | \$1,732 | \$1,966 |
| Fund Balance | \$5,254 | \$5,655 | \$6,362 | \$7,108 | \$8,024 | \$9,129 | \$10,436 | \$11,948 | \$13,680 | \$15,646 |
| DSCR | 1.16 | 1.33 | 1.47 | 1.50 | 1.59 | 1.68 | 1.79 | 1.89 | 2.00 | 2.12 |

Redevelopment Fund Revenues and Expenditures – Recommended Forecast



Off-Street Parking Fund

| Off Street Parking Fund Projections - Modified Baseline | | | | | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------|
| Thousands | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 | FY31 | FY32 | |
| Revenue | | | | | | | | | | | |
| Interest Income | \$2 | - | - | - | - | - | - | - | - | - | - |
| Total Revenue | \$2 | \$0 | \$0 |
| Expenditure | | | | | | | | | | | |
| Operations | \$196 | \$427 | \$442 | \$462 | \$483 | \$506 | \$830 | \$555 | \$581 | \$908 | |
| Debt Service | \$1,787 | \$1,796 | \$1,794 | \$1,235 | \$1,237 | \$1,237 | \$1,232 | \$1,237 | \$1,236 | \$1,233 | |
| Construction | \$3,000 | - | - | - | - | - | - | - | - | - | |
| Total Expenditures | \$4,983 | \$2,223 | \$2,235 | \$1,697 | \$1,720 | \$1,743 | \$2,062 | \$1,792 | \$1,816 | \$2,141 | |
| Net Transfer | \$2,079 | \$2,174 | \$2,212 | \$1,693 | \$1,721 | \$1,744 | \$2,063 | \$1,793 | \$1,818 | \$2,142 | |
| Net Impact (actual) | (\$2,902) | (\$49) | (\$24) | (\$4) | \$1 | \$1 | \$1 | \$1 | \$1 | \$1 | |
| Fund Balance | \$79 | \$30 | \$6 | \$3 | \$4 | \$6 | \$7 | \$8 | \$10 | \$11 | |

Lottery Fund

Lottery Fund Projections - Beyond Baseline

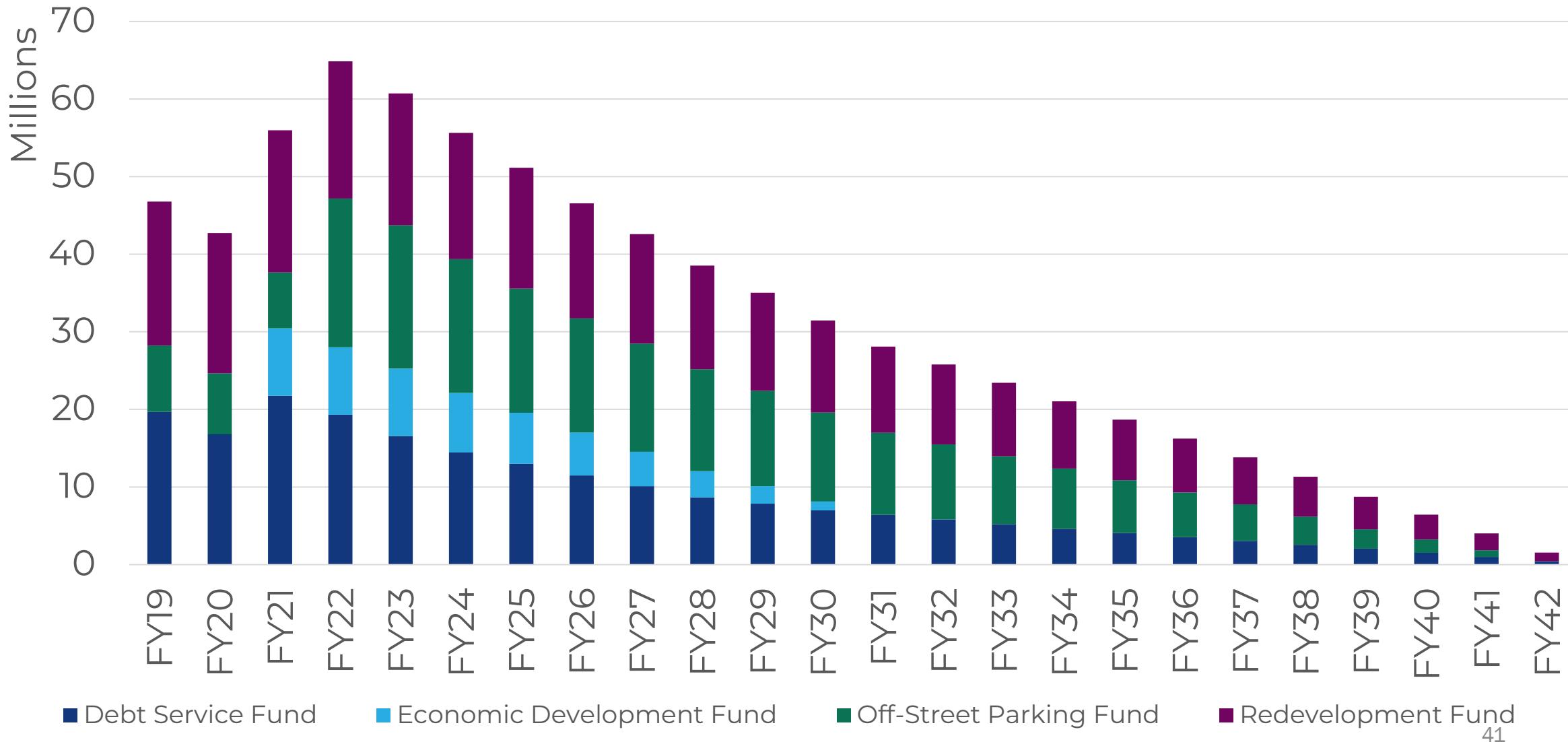
| Thousands | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 | FY31 | FY32 |
|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue | | | | | | | | | | |
| Community Betterment | \$900 | \$900 | \$900 | \$900 | \$900 | \$900 | \$900 | \$900 | \$900 | \$900 |
| Interest Income | \$15 | \$7 | \$15 | \$15 | \$15 | \$16 | \$17 | \$17 | \$18 | \$19 |
| Taxes - Form 51 | \$313 | \$313 | \$313 | \$313 | \$313 | \$313 | \$313 | \$313 | \$313 | \$313 |
| Total Revenue | \$1,228 | \$1,220 | \$1,228 | \$1,228 | \$1,228 | \$1,229 | \$1,230 | \$1,230 | \$1,231 | \$1,232 |
| Expenditure | | | | | | | | | | |
| Community Betterment | \$315 | \$311 | \$320 | \$343 | \$339 | \$349 | \$375 | \$371 | \$382 | \$409 |
| Taxes - Form 51 | \$313 | \$313 | \$313 | \$313 | \$313 | \$313 | \$313 | \$313 | \$313 | \$313 |
| Total Expenditures | \$628 | \$624 | \$633 | \$656 | \$652 | \$662 | \$688 | \$684 | \$695 | \$722 |
| Net Transfer | (\$794) | (\$469) | (\$529) | (\$391) | (\$300) | (\$311) | (\$322) | (\$328) | (\$336) | (\$344) |
| Net Impact (actual) | (\$194) | \$127 | \$66 | \$181 | \$276 | \$256 | \$220 | \$218 | \$200 | \$166 |
| Fund Balance | \$4,281 | \$4,409 | \$4,475 | \$4,656 | \$4,931 | \$5,187 | \$5,407 | \$5,626 | \$5,827 | \$5,993 |

Economic Development Program Fund

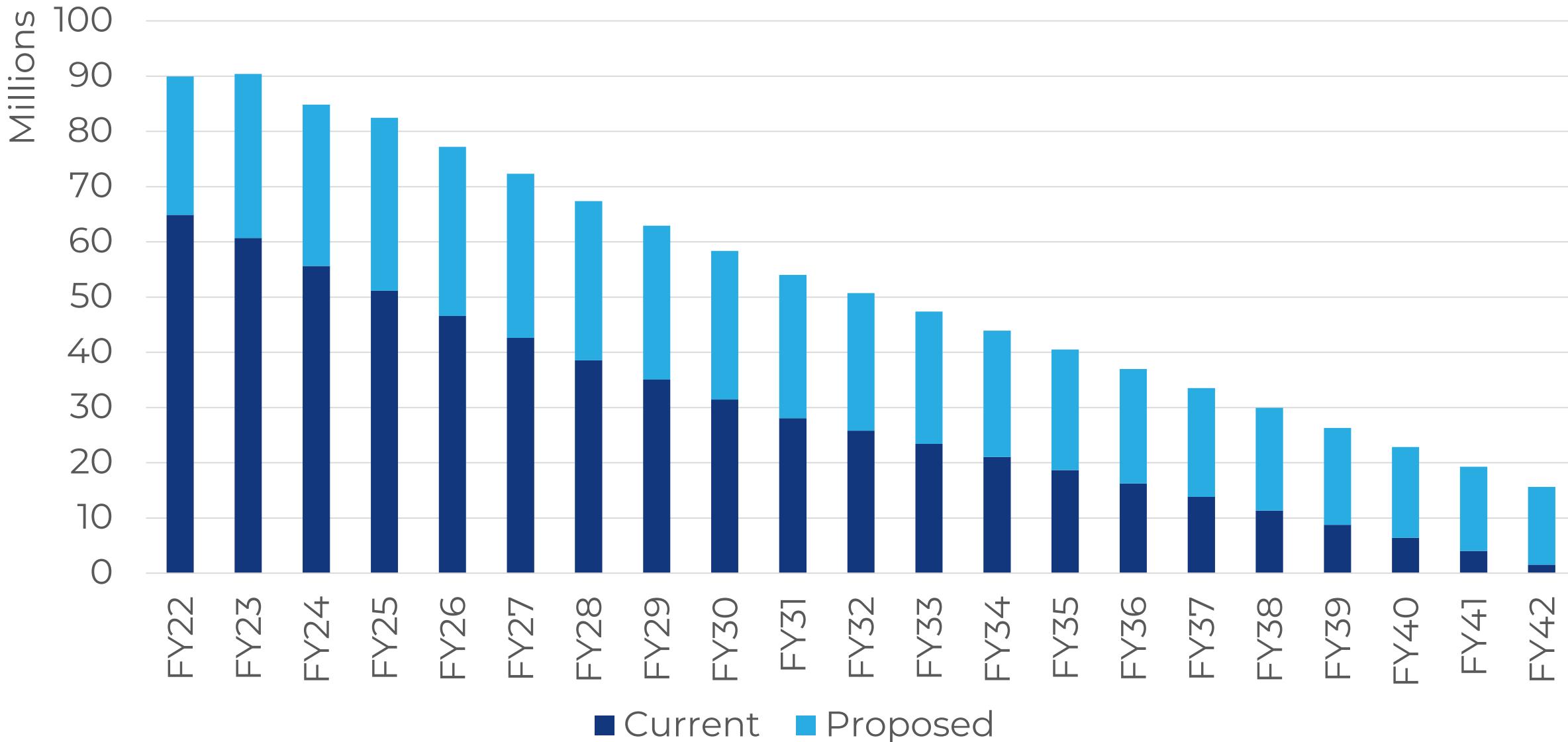
| Economic Development Program Fund Projections | | | | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|----------|
| Thousands | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 | FY31 | FY32 |
| Revenue | | | | | | | | | | |
| Grantee Payments | \$144 | \$144 | \$144 | \$144 | \$144 | \$144 | \$144 | \$1,890 | - | - |
| Interest Income | \$3 | - | - | - | - | - | - | - | - | - |
| Total Revenue | \$147 | \$144 | \$144 | \$144 | \$144 | \$144 | \$144 | \$1,890 | - | - |
| Expenditure | | | | | | | | | | |
| Debt Service | \$1,150 | \$1,150 | \$1,147 | \$1,152 | \$1,149 | \$1,149 | \$1,151 | \$1,155 | - | - |
| Total Expenditures | \$1,150 | \$1,150 | \$1,147 | \$1,152 | \$1,149 | \$1,149 | \$1,151 | \$1,155 | - | - |
| Net Transfers | \$920 | \$1,004 | \$1,004 | \$1,008 | \$1,005 | \$1,006 | \$1,007 | (\$746) | - | - |
| Net Impact (actual) | (\$83) | (\$2) | - | - | - | \$1 | - | (\$12) | - | - |
| Fund Balance | \$13 | \$12 | \$12 | \$12 | \$11 | \$12 | \$12 | - | - | - |

Debt Capacity

Current Outstanding Debt Principal



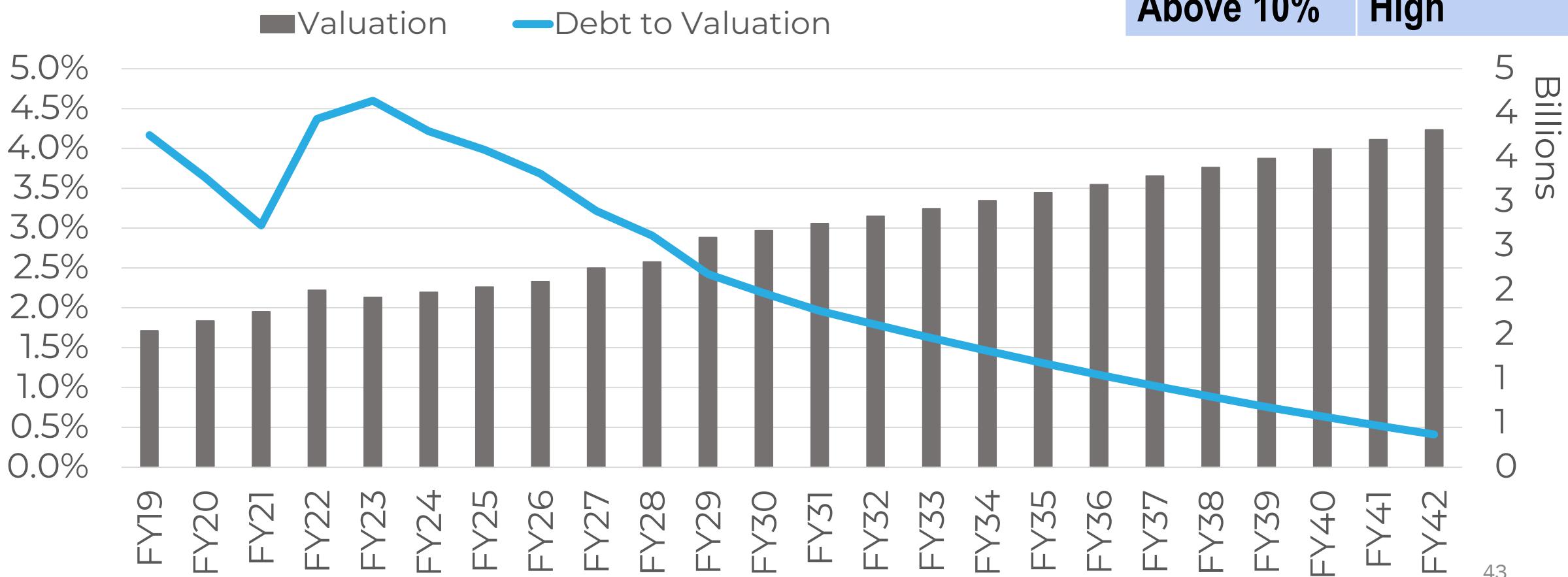
Total Current and Proposed Debt Principal



Debt to Assessed Valuation

S&P Categories of Credit Risk

| | |
|-----------|----------|
| Below 3% | Very Low |
| 3% -6% | Low |
| 6% - 10% | Moderate |
| Above 10% | High |



Debt Capacity Highlights

- Debt Service Fund
 - \$48M could be issued in bonds from FY26-FY32
- Redevelopment Fund
 - Has a debt capacity of \$24M in bonds from FY26-FY32
- Cash funding is available if less than max. bond capacity is issued

Next Steps

- Individual meetings
- Annual Planning Meeting (March)
 - CIP
 - Operations & maintenance plans
- FY23/24 Budget Preparation (April – June)
- Budget Workshop (July 18 & 19)

Questions?

