Good afternoon ladies and gentlemen, Mr. President and members of the City Council. It is a pleasure to be here with you, and I thank you for your time.

Today I present to you a 2007 budget that maintains high quality city services and does not include a property tax increase for the fifth consecutive year. As our revenue sources continue to remain unstable and costs continue to rise, crafting this budget was challenging, but my commitment to efficiency in city government and dedication to controlling city spending resulted in a budget that I am proud to present.

In this budget, General Fund spending increases only 1.76% from last year. This increase is below the rate of inflation and a testament to my commitment to control spending. Over the past six years, general fund growth has averaged 2.4% per year, compared to the 5.6% average increase over the 6 years prior to my administration. Omahans can rest assured that their tax dollars are being stretched as far as possible.

Just as this budget reflects my fiscal priorities, it also supports my commitment to Omaha neighborhoods. The places we call home and where we raise our families, impact our quality of life and ought to be the very best. Over the past five years, programs like my Neighborhood Park & Library Renovation Plan, Youth Sports Initiative, Neighborhood Improvement Grants and Residential Street Resurfacing efforts have demonstrated to citizens that their city government is committed to making their lives better. In return, neighborhood associations have become empowered and activism among our citizens is at an all time high. Working together, our city government and neighborhood leaders are making improvements all across our community.

To continue this great relationship and to support Omaha neighborhoods, the SunDawgs program will remain at its current funding level. All community centers, swimming pools and library branches will be funded at this year’s levels and I’ve increased the library’s budget for new books and materials by $65,627.

Our very popular and effective Neighborhood Clean up, Graffiti Van and Street Sweeping programs remain in the budget. Litter and vandalism can damage the morale of a community and these programs help enable citizens to take pride in a clean and beautiful city.

Earlier this year I presented 21 Neighborhood Improvement Grants to neighborhood associations across the city, pushing the total of grants awarded the past five years to over 100 at a total of $355,000. Once again, we received more requests than the funding available and I am happy to say we have increased 2007 funding for this valuable program to $90,000. These small grants provide active citizen groups with the tools to improve their areas and are well worth the additional funding.

Through a contract with the University of Nebraska-Omaha and The Neighborhood Center for Greater Omaha, the Neighborhood SCAN program will continue and be expanded. This proactive program addresses neighborhood code issues using trained neighborhood volunteers. Over the past 18 months, approximately 100 volunteers have been trained, over 5,000 properties have been rated and evaluations have been mailed to over 4,600 properties. As a result, numerous property owners have taken steps to address code violations throughout Omaha neighborhoods.

Over the years we’ve taken the great momentum that continues to build along our riverfront and downtown and have spread it into our neighborhoods and smaller business districts. Omaha By Design embodies our efforts by assuring that all parts of our city are raised to the high standard Omahans deserve. The Benson-Ames Alliance pilot project
continues to evolve and shape a development plan for this historic part of our city. I am confident of its success and have dedicated $50,000 for the development of additional Neighborhood Alliance District Plans in conjunction with Omaha By Design.

To maintain our outstanding public safety teams, both our Fire and Police Departments will host recruit classes in 2007. Two police recruit classes will result in a strength level of 805 officers, an increase of eight additional officers from this year. Our Fire Department will also usher in a new recruit class in February.

Public Safety continues to be one of my top priorities and I applaud our Police and Fire Departments, from Chiefs Warren and Dahlquist to the rank and file. Omahans have a right to feel safe and secure in our city and the men and women of our public safety teams work day in and day out to ensure that right.

Keeping the great momentum Omaha is experiencing and maintaining our ability to build upon our recent success is something that will not happen on its own and is something I do not take for granted. With the introduction of Steve Jensen as our city’s new Planning Director and the reorganization and strengthening of our Planning Department, we have poised ourselves to facilitate and initiate the continued growth and development of our city. A new City Planner III will oversee our urban-design initiatives and an additional Building Inspector and clerical position will facilitate building permit reviews as well as provide added support and continued enhancement of our new automated permit system. Omaha must continue to be known as a pro development city.

Great news is always something best shared with others and in our continued efforts to expose the nation to all of the great development, attractions and events occurring in Omaha, I have doubled the City of Omaha’s contribution to the Greater Omaha Convention and Visitors Bureau budget to $500,000. More work by the CVB means more business and tourism for Omaha.

In my efforts to assure city government runs as efficiently as possible, this year’s budget also reflects tough decisions. Beginning next year, Omaha will follow the national trend and eliminate the costly position of Park Caretaker in five of our city parks. Current and seasonal Parks Department employees will carry out maintenance and upkeep of these parks.

Overall the city’s civilian workforce will see a reduction of six civilian positions. In total, 226 civilian jobs have been eliminated over the last 6 years. That equates to a 15.2% reduction in our civilian workforce. Our ability to prevent a decline in services and upkeep is a testament to the hard work and dedication of our civilian workforce. They are fine public servants and deserve all of our thanks for a job well done.

The 2007 budget contains minimal fee increases. For the first time in six years, the Vehicle Occupation Fee will be increased from four to six dollars per vehicle rental and our Sewer Rates will also see an increase for the first time since 1994.

The City’s Intrusion Alarm Fee and associated false alarm penalties will increase. Annual permits for businesses will increase from $35 to $50 with no increase for residential systems. First false alarms will continue to be free with second and fourth false alarms seeing $50 increases. These new fees and penalties make Omaha’s rates comparable to surrounding cities like Council Bluffs and Bellevue.

Omaha’s annexation of Elkhorn and accompanying SIDs will be decided by the Nebraska Supreme Court late this year or early next. In anticipation of this new addition to our city, this budget accounts for $11 million in offsetting revenues and costs associated with providing services to these areas. I remain committed to creating a smooth transition upon the completion of this annexation package.

Last May, we asked Omahans to approve $103 million worth of bonds to support our city’s all important infrastructure and we promised that these bonds would not cause a tax increase. I am grateful for the voters’ support of these bonds and for their confidence in city government to carry out the ongoing improvements to our community. Today, I present to you the 2007-2012 Capital Improvement Plan, which stays within the limits authorized by voters.

Included in this CIP is funding to improve the Florence Business Corridor and Midtown traffic patterns, replace the Omaha Police Department’s fleet of helicopters, new fire trucks, the renovation of four libraries and the construction of the Saddlebrook Library and Community Center in partnership with Omaha Public Schools.
Through an agreement with the Metropolitan Entertainment and Convention Authority, we will use Public Facility Bonds to cover previously agreed upon subvention payments made to MECA over the next two years and eliminate five years of additional payments totaling over $9 million. This agreement is a great savings for the citizens of Omaha and a tribute to the success of the Qwest Center Omaha.

As I mentioned earlier, Omahans can expect to see their Sewer Rates increase in 2007. This revenue will primarily be used to repay bonds included in this CIP being used to develop a Long Term Control Plan to address Combined Sewer Overflows. To cover the costs of this unfunded federal mandate, revenue generated by Sewer Rates will have to increase by 8.3% in 2007 with additional increases in coming years. While specific rate changes for area sewer users have yet to be determined, homeowners can expect to see their Sewer Rate increase approximately $2 a month next year.

Last week, Money Magazine recognized Omaha as one of the top ten big cities to live. Our city is on the right track and continues to bask in the strong momentum that is the envy of cities across the country. Development can be witnessed all across our city, but that doesn’t mean challenges don’t exist, especially when it comes to managing our General Fund budget.

For the past six years we have worked to stretch our tax dollars as far as possible. We’ve made tough decisions, found ways to be more efficient and have been creative in making ends meet without raising taxes and through it all, we have maintained and improved basic city services. I am proud of that work and you should be too.

But our city faces long-term challenges due to revenue shortfalls. From sales tax to state aid, revenue sources have stalled or even decreased. I ask that you work with me over the coming years to identify the issues we face and take the appropriate steps to shore up our revenue sources.

In closing, I would like to thank my cabinet, our city employees and each of you for your efforts to make everything we do possible, and the citizens of Omaha for giving me the opportunity to lead this great city. This budget reflects my priorities, protects important city services, holds the line on spending and does not raise taxes. Thank you for your continuing support. I look forward to working with you in 2007 and beyond as we continue building Omaha into one of the best cities in the country.

Thank you.

Mike Fahey

Mike Fahey, Mayor
City of Omaha