

2021-2022 Operating Budget

2021-2030 Capital Improvement Program



July 21, 2020



Outline



- Operating Environment
- Budget Framework
- Budget and Capital Improvement Program Overview

2021-2022
Proposed
Budget

Celebrating the people
making a difference



Current Environment



- Covid-19 pandemic has impacted finances and operations
- Economic uncertainty underpins budget development



Current Revenue Environment



MAY 26 NET LOSS PROJECTION	2020 ADOPTED	2021 PROPOSED	2021 PROJECTED
General Fund	\$(11,571,398)	\$(16,964,732)	\$(21,648,653)



Current Revenue Environment



- Economic downturn impacts in 2020:
 - Sales Tax -\$2.34 million
 - Interest Earnings -\$2.85 million
 - Gas Tax -\$0.99 million
 - Fines & Penalties -\$1.80 million



Budget Framework



- Used Zero-Based Budgeting framework developed in 2016-2018
- Engaged with departments and residents
- City Council was involved through retreats



Budget Framework: City Council Involvement



April 7 Preliminary revenue outlook

April 21 Preliminary options

May 26 Options to balance General
Fund budget



Budget Framework



City Council mission statement with goals

As an exceptionally well-run City we will:

Keep Wichita safe,

Grow our economy,

Build and maintain dependable infrastructure and

Provide conditions for living well.



Budget Framework – Options



- Options presented at City Council Retreat on May 26
- Options were grouped in four tiers
- Resident engagement and budget development was guided by these options



Resident Engagement



- Options for engagement were identified at the May 26 City Council Retreat
- Multiple engagement methods:
 - District Advisory Board Meetings
 - Budget Simulator
 - Social Media Town Hall



Resident Engagement – Budget Simulator



- Online June 12-30
- Higher participation than 2019 – 3,165 budgets completed
- Of the 16 services, Fire and Medical Responses, Persons Crime Investigation, and Pavement Maintenance were reduced the least



Resident Engagement – Social Media Town Hall



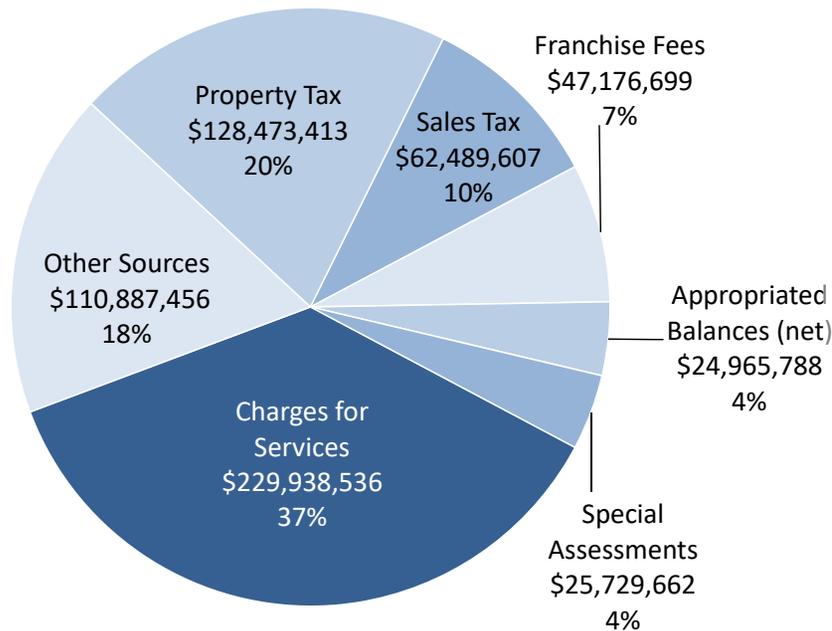
- Polls available on Facebook, Twitter, and Nextdoor June 23-30
- Total of 9,768 votes across three platforms
- Very strong support for street maintenance, library hours, and park mowing



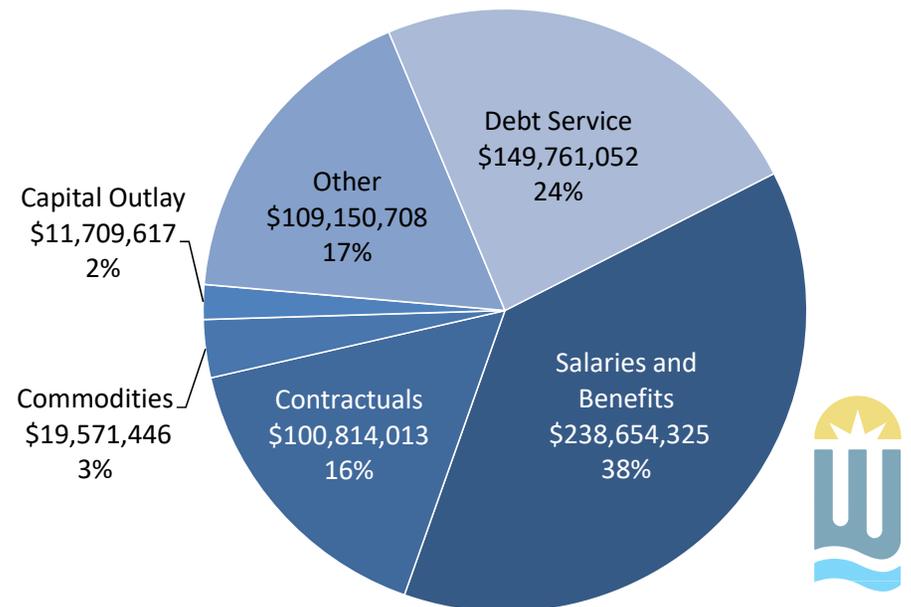
Budget Overview



Where City of Wichita Dollars Come From
ALL FUNDS 2021 PROPOSED, \$629,661,161



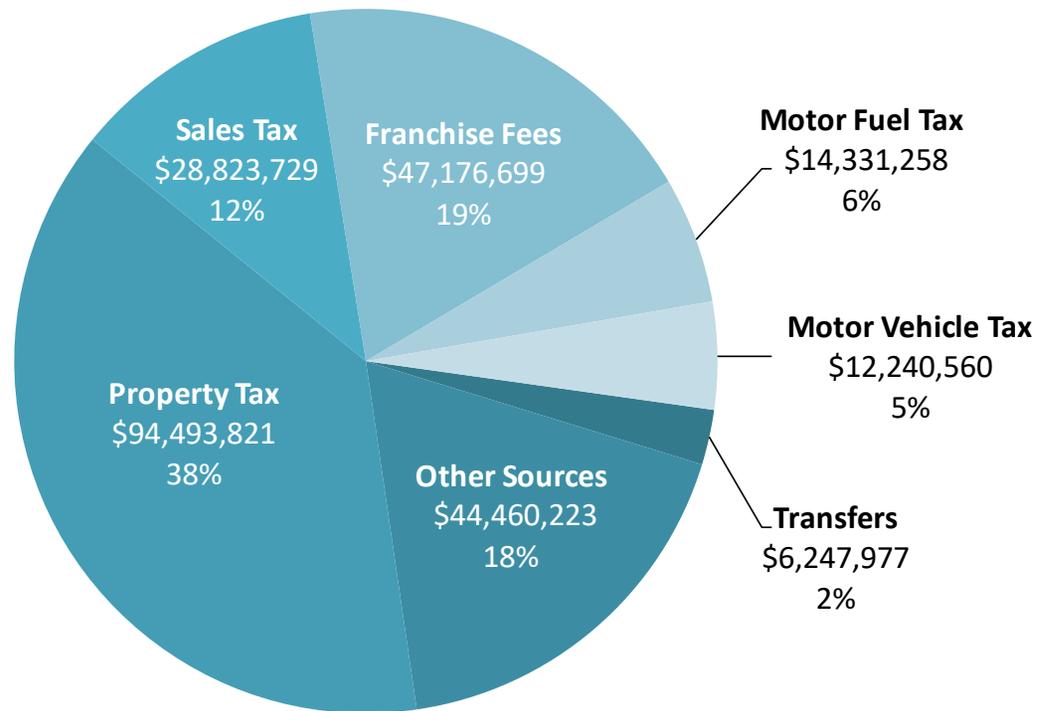
Where City of Wichita Dollars Go
ALL FUNDS 2021 PROPOSED, \$629,661,161



Budget Overview – General Fund Revenue



GENERAL FUND 2021 PROPOSED BUDGET, \$247,774,267

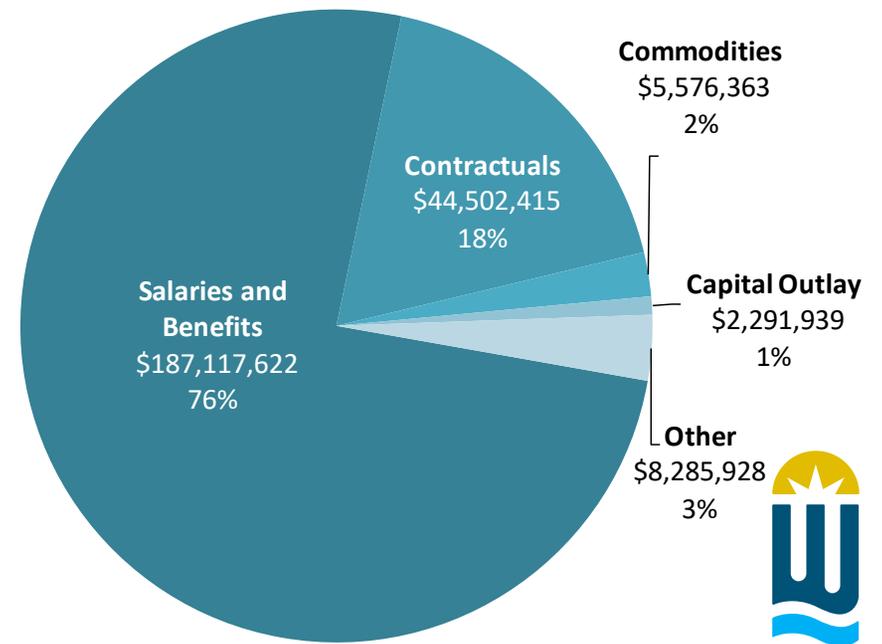
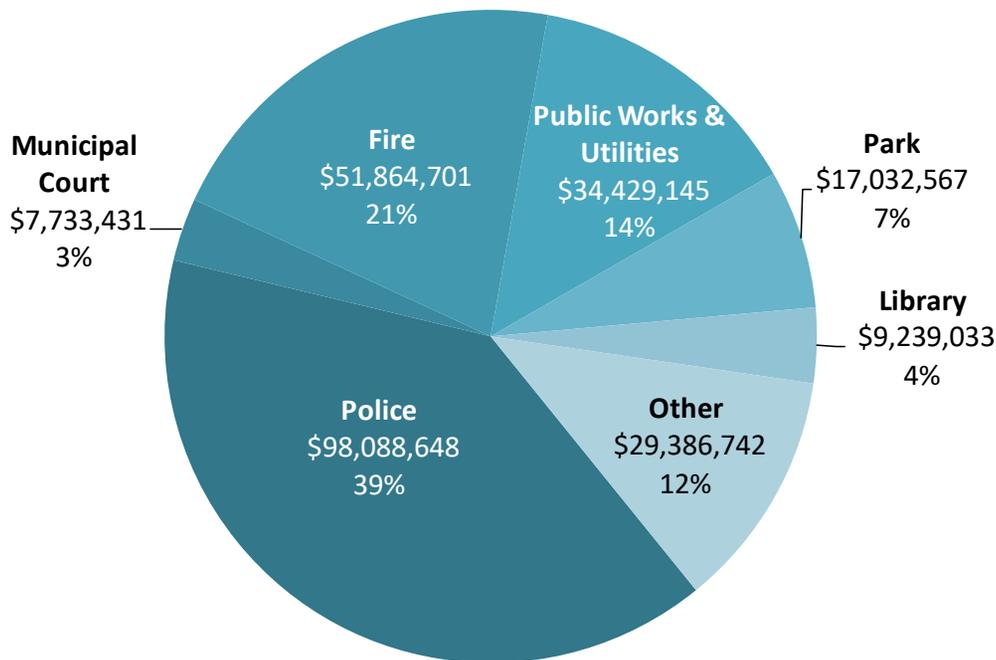


Budget Overview – General Fund Expenditures



GENERAL FUND 2021 PROPOSED BUDGET, \$247,774,267

GENERAL FUND 2020 PROPOSED, \$247,774,267



Budget Highlights



- No mill levy increase
- General Fund balanced in 2021
- Public safety prioritized: Police Staffing Phase 2 budgeted in Police Department



Budget Overview



- Targeted hiring freeze since March 2020
- Tree removal is prioritized over planting
- Arts & Cultural Services funding is reduced in 2020 and remains flat
- Century II operations to be privatized in 2021



Budget Overview



- Animal Shelter budgeted for internal use
- Savings are budgeted from lower fuel costs and energy efficiency
- Library services restructured



Mill Levy Overview



- Mill Levy is flat
- One-half mill shifted from Debt Service Fund to General Fund

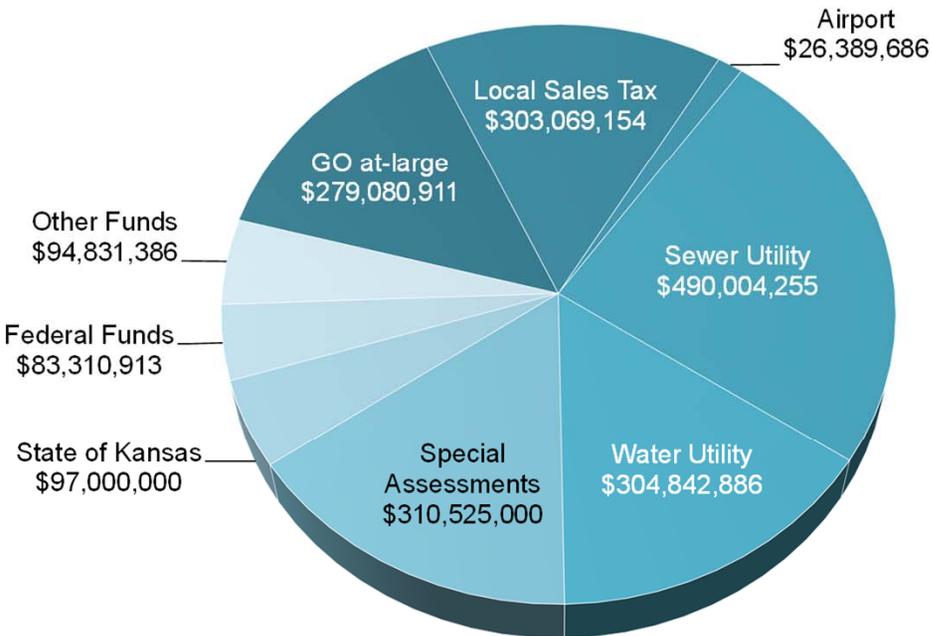
MILL LEVY RATE	2020 ADOPTED	2021 PROPOSED
General Fund	25.214	25.720
Debt Service Fund	7.506	7.000
TOTAL	32.720	32.720



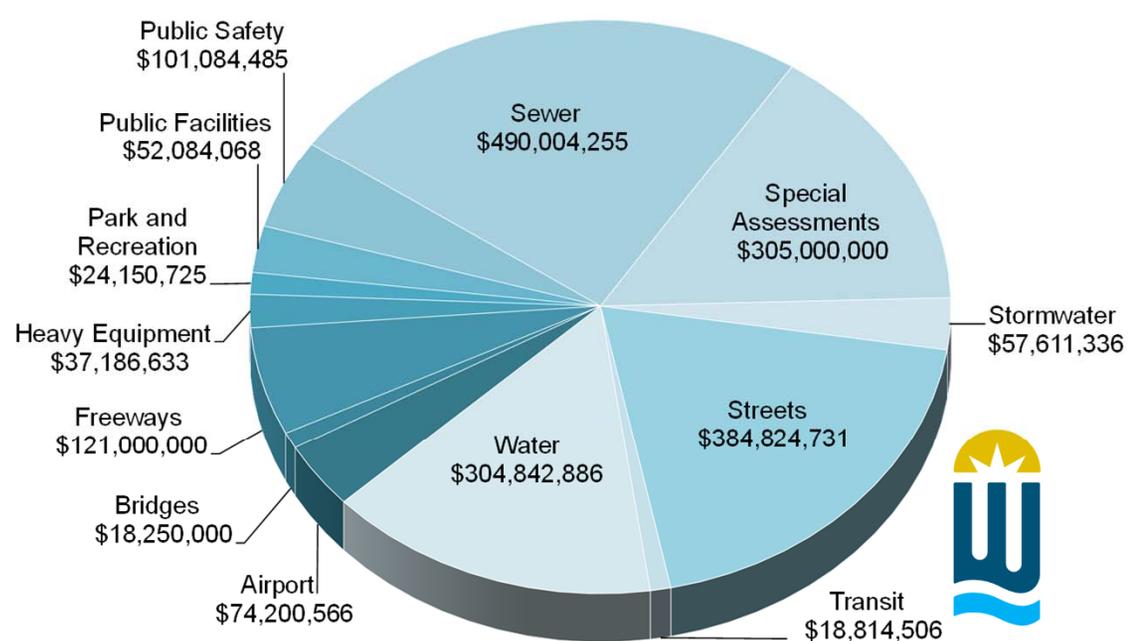
CIP Overview



Where City of Wichita CIP Dollars Come From
2021-2030 ALL FUNDS REVENUES \$1,989,054,191



Where City of Wichita CIP Dollars Go
2021-2030 ALL FUNDS EXPENDITURES \$1,989,054,191



Financial Environment



- Covid-19 is expected to impact sales taxes (LST Fund), transient guest taxes (TGT Fund), and property taxes (DSF Fund).
- Proposed CIP defers 18 projects totaling \$28.2 million; most are deferred 1-3 years
- Debt Service Fund levy is reduced by 0.5 mill in 2021 and 2022



CIP Process



- Aligned to City mission and goals and Community Investments Plan
- Financially sustainable, based on debt metrics
- Focused on leveraging opportunities, partnerships, contractual agreements and supporting operating budget strategies



CIP Highlights - Maintenance



- Street Maintenance funding will increase
- Favorably impacts remaining service life and asset value



CIP Highlights – Public Safety



- Proposed CIP includes \$101.1 million for public safety improvements
- Includes additional police stations (\$21 million) and fire stations (\$10.1 million)
- Nearly \$36.7 million is included for fire apparatus and equipment



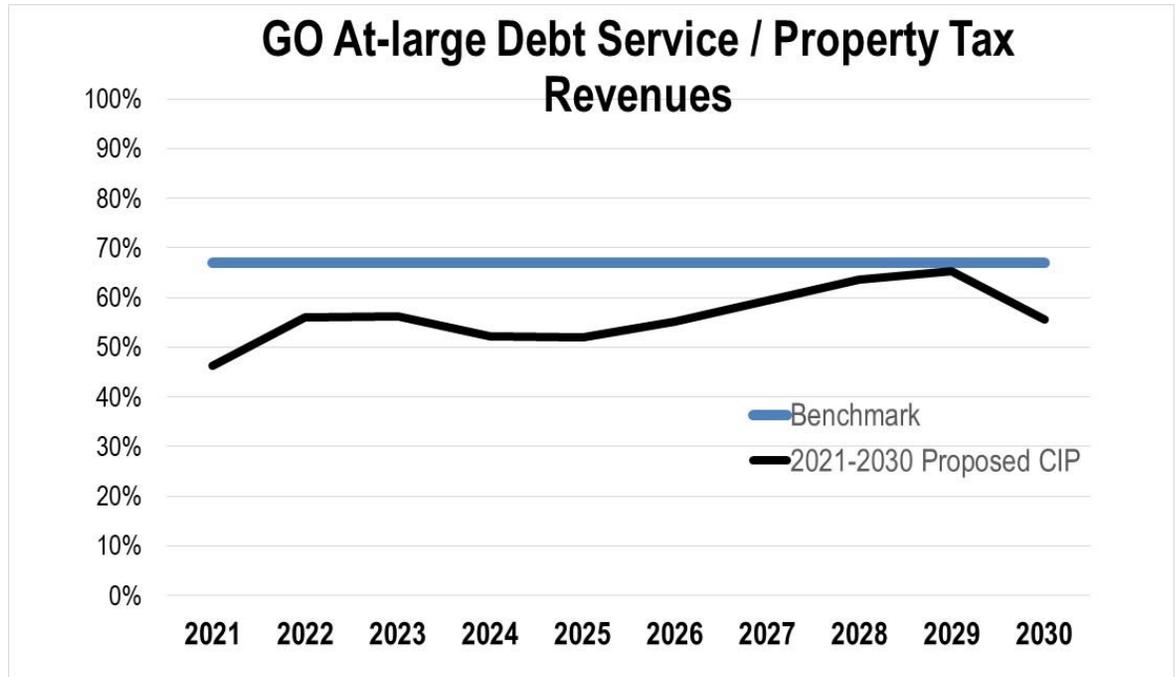
CIP Highlights



- More than \$12 million is included for bike and pedestrian projects
- Funding of \$11 million is included for public art (2%) based on City ordinance
- Downtown street projects total \$30.5 million



CIP Highlights – Debt Levels



Debt levels will rise, but remain below the benchmark



Budget Outlook



- Structural adjustments in 2020 are a step toward financial sustainability
- Operating budget deficits are modeled beginning in 2022
- Economic uncertainty impacts future planning
- Decision-making framework remains critical



Budget and CIP Calendar



July 21

Proposed Budget presented, first public hearing, setting of maximum taxes levied, authorization of publication of notice

August 4

Second public hearing

August 11

Final public hearing and adoption of budget



Recommendation



- Set the Public Hearing on the Proposed 2021 Budget for August 11, 2020
- Authorize publication of the formal public hearing notice
- Approve first reading of ordinances



Recommendation



- Set a maximum amount of taxes levied for the City of Wichita at \$124,758,623
- Receive and file the 2021-2030 Proposed Capital Improvement Program

