

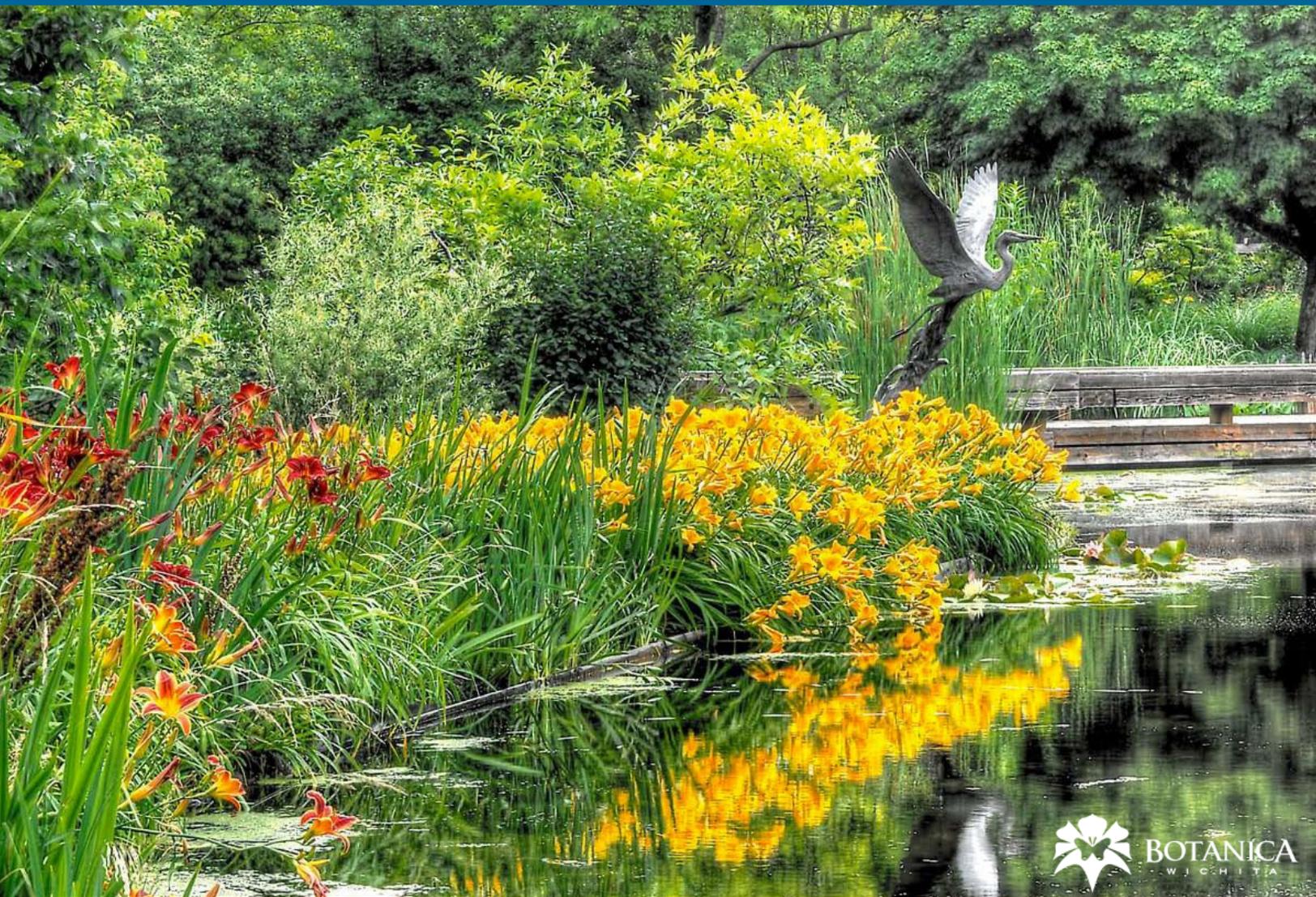


# 2015-2016

# **ADOPTED BUDGET**

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# **OVERVIEW**



*Serving You, In Many Ways, Every Day*

**City of Wichita, Kansas | [www.wichita.gov](http://www.wichita.gov)**



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## 2015-2016 Budget Highlights

- ◆ **The mill levy rate is unchanged.** The budget is based on an estimated mill levy rate equal to last year's rate. This is the 21st consecutive year that the mill levy has remained stable.
- ◆ **Reserves are maintained at appropriate levels.** The budget includes General Fund reserves of \$25 million, which is greater than 10% of projected expenditures, in accordance with City Council policy.
- ◆ **The Budget is based on strategic priorities.** In 2009, the City Council identified four strategic priorities: protecting life; protecting property; investing in infrastructure; and ensuring a growing and sustainable community. The budget funds outcomes in these key areas.
- ◆ **Community involvement helped shape budget recommendations.** Staff has engaged extensively with the community, through expanded neighborhood meetings and innovative social media town hall events. This feedback has helped shape budget recommendations.
- ◆ **Improvements in pavement maintenance are funded.** Wichita's pavement condition has slowly deteriorated over the last decade. Staff have developed an innovative return on investment model to more effectively match treatments with street conditions. This will result in more a favorable street network in the future.
- ◆ **Fire Department improvements are included.** Six firefighter positions are added for a two year grant period, to enhance service levels. A new Training Chief position is also added, to enhance firefighter safety. The budget also includes a planned review of emergency response options in the community, in conjunction with other service providers. This is expected to improve outcomes and lower costs.
- ◆ **The cultural arts plan is funded.** The budget includes \$4.1 million to fund the City's cultural arts plan, including institutional grants to seven cultural facilities, and cultural grants to a variety of organizations.
- ◆ **Transit remains stressed.** Transit services have been maintained by service reductions, City loans, deferred capital purchases, and increased use of Federal funds for operations. These strategies are not sustainable. Severe reductions will be required by 2016 without additional funding. Continued community dialogue is essential to determine the appropriate model for future transit services in Wichita.
- ◆ **Marketing efforts will be enhanced.** A consolidated marketing approach is funded to better market City services. Web site and mobile applications will be improved to enhance citizen interaction.
- ◆ **Strategic outsourcing will continue.** The budget includes target areas where outsourcing can reduce City costs and provide meaningful outcomes. This includes supplemental funding for additional dead tree removal, and contractual support for City crews engaged in snow and ice removal.



## 2015-2016 Budget Development Calendar

The ongoing budget process from initial planning to the first day of an adopted budget is approximately 23-26 months. For example, the City started planning for 2015 in late 2013 and early 2014. The key dates for the 2015-2016 Budget are shown below. Dates with asterisk are broadcast on CityChannel7 and streamed on the internet.

<b>January - February</b>	Staff budget committee develops and reviews operational suggestions by City employees
<b>March - April</b>	Budget staff review Strategic Operating Plans submitted by departments
<b>April - May</b>	City Manager meets with Departments and Budget Office staff to develop recommendations
<b>May 21</b>	Social Media Town Hall #ictbudget2015
<b>June 17 *</b>	Preliminary Budget and Performance Measures Report City Council Workshop
<b>June 17— July 1</b>	Budget presentations to District Advisory Boards
<b>June 18</b>	Social Media Town Hall #ictbudget2015
<b>July 15 *</b>	City Manager formally presents budget document to City Council. City Council holds a first public hearing and authorizes publication (sets maximum taxes levied)
<b>August 5 *</b>	Public hearing at the City Council meeting
<b>August 12 *</b>	Final public hearing and adoption of the 2015-2016 operating budget at the City Council meeting
<b>August 25</b>	Certification forms for the 2015 budget are filed with the Sedgwick County Clerk
<b>November</b>	Final assessed valuation is recorded and mill levies are calculated by the Sedgwick County Clerk
<b>January 1, 2015</b>	Fiscal Year 2015 begins

\* Shown live on City Channel 7 or via streaming video on [www.wichita.gov](http://www.wichita.gov)



# Elected Officials

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## At-Large: *Mayor Carl Brewer*

Mayor Brewer has been Mayor of the City of Wichita since April 2007 and is currently serving his second term. Previously, he was elected to two terms as a Council Member, from April 2001 to April 2007. He has spent much of his professional career in the local aircraft manufacturing industry, as an engineer at Cessna and a manager for Boeing Wichita and Spirit AeroSystems. He retired at the rank of Captain in the Kansas Army National Guard. Mayor Brewer is a graduate of Wichita North High School and attended Friends University. He serves on several boards and committees with the National League of Cities. He is married and has four children.



## District 1: *Lavonta Williams*

Lavonta Williams has been a Council Member since June 19, 2007. She is a lifelong Wichitan and graduate of Emporia State University. Council Member Williams was an educator in the Wichita Public Schools for 35 years prior to coming to Council. She served faithfully on the District 1 Advisory Board, is presently Chair of the National League of Cities' Community & Economic Development Steering Committee, and Secretary for the National Black Caucus of Local Elected Officials. Her engagement in the community consists of serving on many boards, including the Wichita Downtown Development Corporation, the Arts Council, Sedgwick County Criminal Justice Coordinating Council, and many more. She and her husband, Billy, have two sons and four grandchildren.



## District 2: *Pete Meitzner*

Pete Meitzner has been a Council Member since April 2011. He is a lifelong Wichitan and is a graduate of Wichita State University. Council Member Meitzner worked in the banking industry prior to founding and operating a telecom company. He is active in the community at-large, and within the business community, serving on numerous civic and non-profit boards. He currently serves on the Sedgwick County Technical Education and Training Authority Board and served as the past President of the Lord's Diner Advisory Board. He and his wife have two children.



## District 3: *James Clendenin*

James Clendenin has been a Council Member since April 2011. He is a graduate of Halstead High School and attended Hesston College. He worked in the aircraft composites business for over 14 years. Council Member Clendenin is the Mayor's appointee to the Sedgwick County Association of Cities, serves on the Old Cowntown Board of Trustees, is a member of the National League of Cities Community & Economic Development Steering Committee, and is actively involved in the community serving as an Assistant Scoutmaster in Boy Scouts of America. He is married and has three children.



## District 4: *Vice Mayor Jeff Blubaugh*

Vice Mayor Jeff Blubaugh has been a Council Member since April 2013. He holds undergraduate and graduate degrees from Friends University, previously worked in sales for the Cessna Aircraft Company, and works for the Blues Brothers Real Estate Team of Keller Williams Hometown Partners. He is actively involved with the community as a member of Lions Club International, the South YMCA Board and numerous other organizations. He formerly served on the Goddard School Board and currently serves as the Goddard Junior High Football Coach. He and his wife have four children.



## District 5: *Jeff Longwell*

Jeff Longwell has been a Council Member since April 2007. He is actively involved in St. Francis of Assisi Parish, the Knights of Columbus, and served 12 years on the Maize Board of Education. He received his education from Wichita West High School and Wichita State University. Council Member Longwell is currently owner of AdAstra Print Resources and has worked in the graphics business for more than 30 years. He is married and has three children and one grandchild.

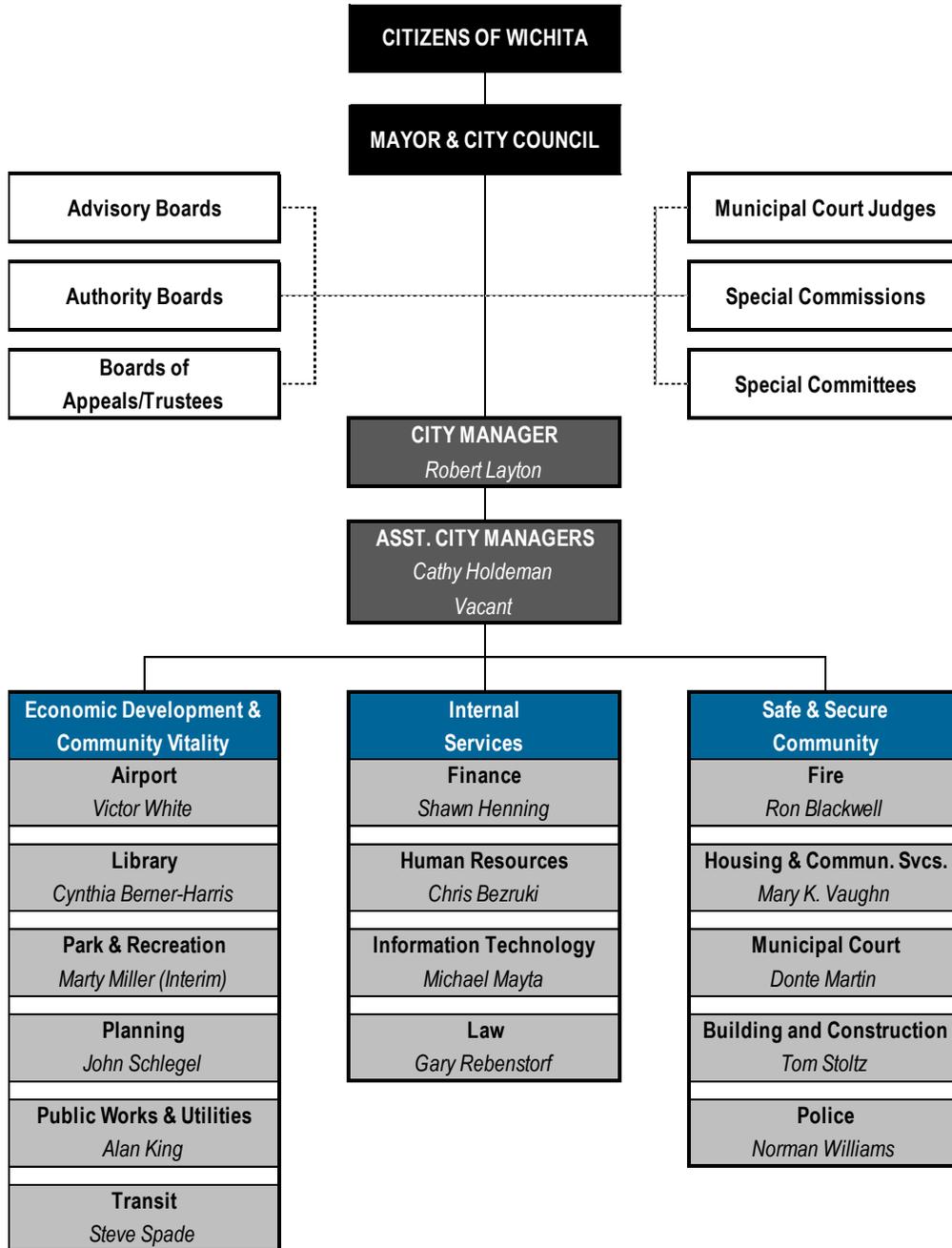


## District 6: *Janet Miller*

Janet Miller has been a Council Member since April 2009. Prior to joining the Wichita City Council, she served as a member of the District 6 Advisory Board and as President of the Park Board. A graduate of Kansas State University, Janet is engaged in the community serving on several boards, including Botanica, Wichita Downtown Development Corporation, Wichita Area Metropolitan Planning Organization, and NOMAR Community Development Corporation. She and her husband Nile reside in Historic Midtown.



# Organization Chart



## City Council Members

<i>Carl Brewer</i>	Mayor	268-4331	455 N. Main, 67202
<i>Jeff Blubaugh</i>	Vice Mayor (IV)	268-4331	455 N. Main, 67202
<i>Latonta Williams</i>	Council Member (I)	303-8018	*2755 E. 19th, 67214
<i>Pete Meitzner</i>	Council Member (II)	268-4331	455 N. Main, 67202
<i>James Clendenin</i>	Council Member (III)	303-8029	*2820 S. Roosevelt, 67210
<i>Jeff Longwell</i>	Council Member (V)	268-4331	455 N. Main, 67202
<i>Janet Miller</i>	Council Member (VI)	303-8042	*2700 N. Woodland, 67207

Note: \*Council Members can be reached at the Neighborhood Resource Centers, as well as City Hall at 455 N. Main, 268-4331.

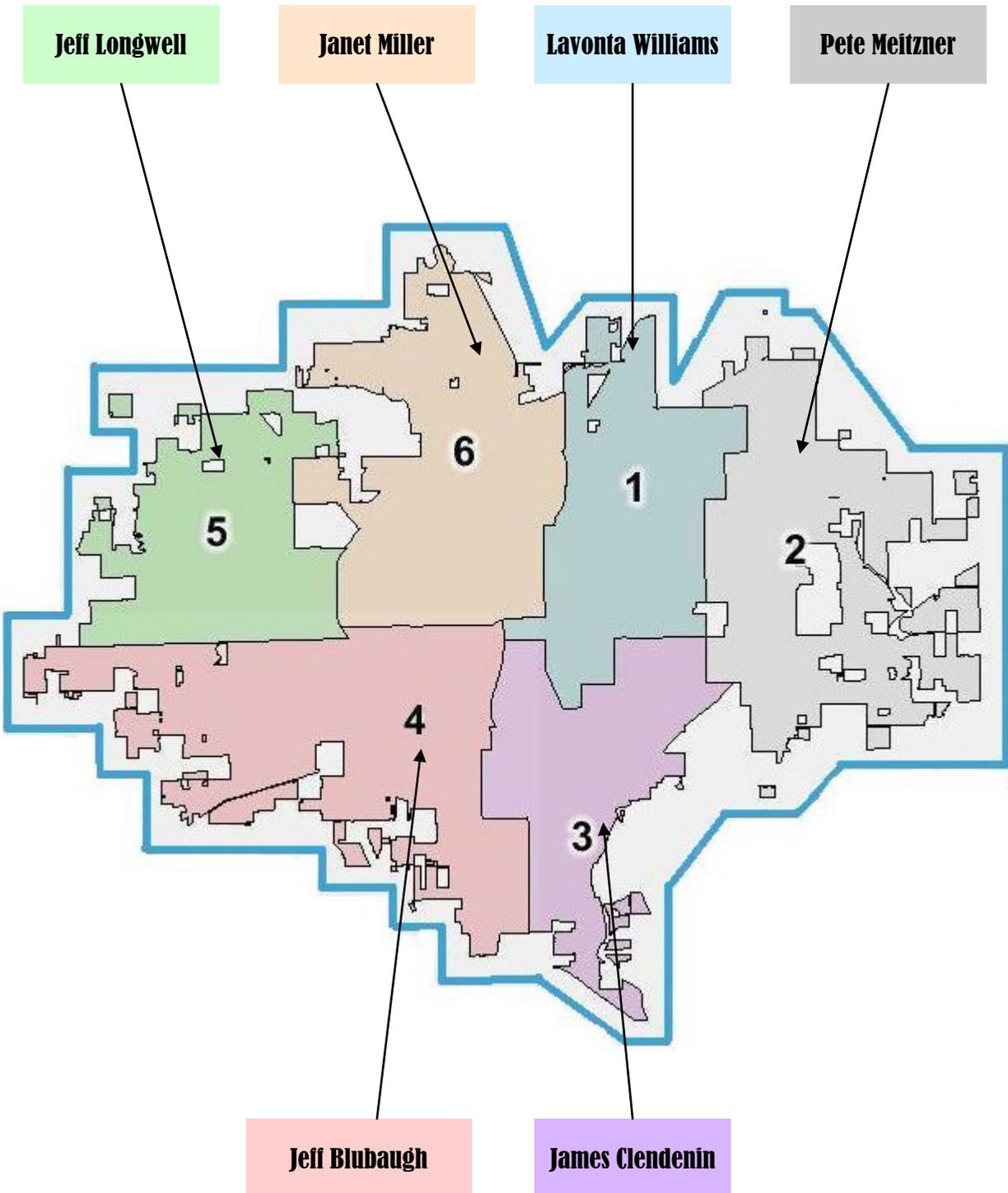
## City Departments & Directors

City Manager's Office	268-4351	<i>Robert Layton</i> , City Manager <i>Cathy Holdeman</i> , Assistant City Manager
Airport	946-4700	<i>Victor White</i> , Director
Building and Construction	268-4460	<i>Tom Stolz</i> , Director
Finance	268-4300	<i>Shawn Henning</i> , Director
Fire	268-4451	<i>Ron Blackwell</i> , Fire Chief
Housing & Community Services	462-3700	<i>Mary K. Vaughn</i> , Director
Human Resources	268-4531	<i>Chris Bezruki</i> , Director
Information Technology	268-4318	<i>Michael Mayta</i> , Chief Information Officer
Law	268-4681	<i>Gary Rebenstorf</i> , Director of Law & City Attorney
Library	261-8500	<i>Cynthia Berner-Harris</i> , Director
Municipal Court	268-4611	<i>Donte Martin</i> , Court Administrator
Park & Recreation	268-4628	<i>Marty Miller</i> , Director (Interim)
Planning	268-4421	<i>John Schlegel</i> , Director
Police	268-4158	<i>Norman Williams</i> , Chief of Police
Public Works & Utilities	268-4664	<i>Alan King</i> , Director
Transit	265-1450	<i>Steve Spade</i> , Director



# City Council District Map

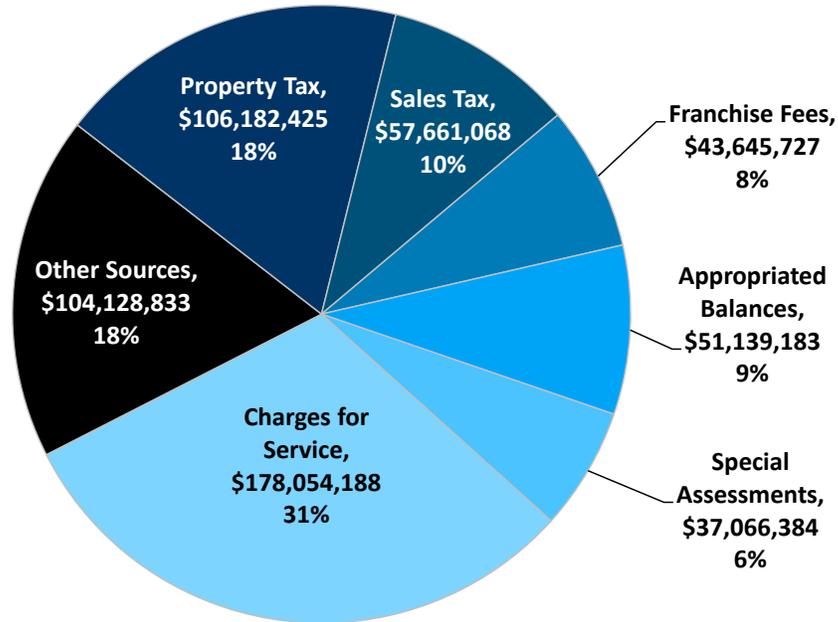
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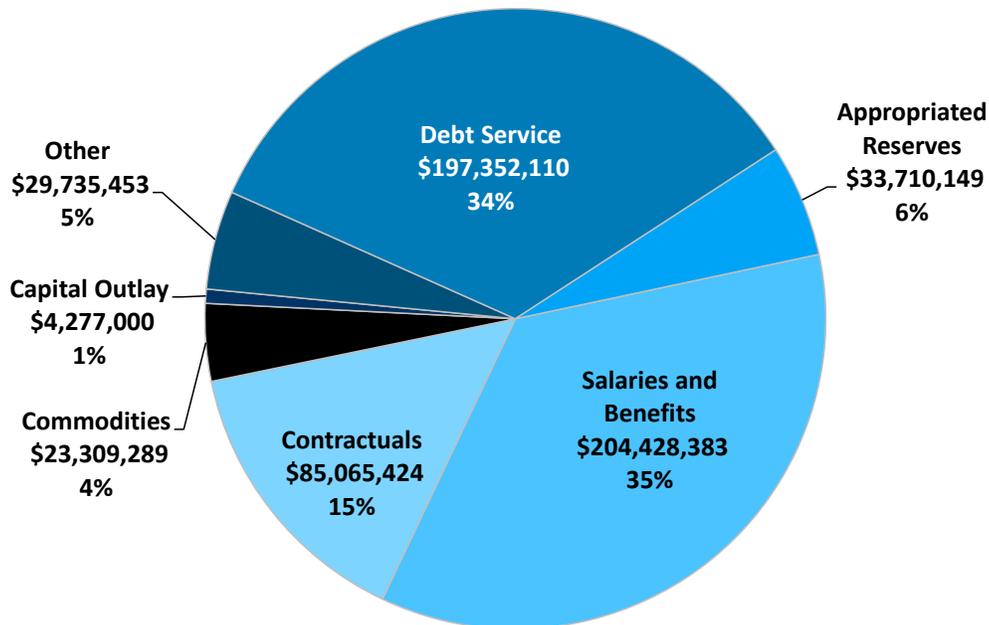


# All Funds Revenue and Expenditures

## Where City of Wichita Dollars Come From ALL FUNDS 2015 ADOPTED, \$577,877,808



## Where City of Wichita Dollars Go ALL FUNDS 2015 ADOPTED, \$577,877,808





## All Funds Revenue Source by Type

ALL FUNDS - REVENUE SOURCES BY TYPE	2013 ACTUAL	2014 ADOPTED	2014 REVISED	2015 ADOPTED	2016 APPROVED
Property Taxes	106,347,181	104,921,288	105,139,533	106,182,425	108,984,349
Motor Vehicle Taxes	13,398,168	13,916,135	14,001,680	14,421,712	14,854,345
Local Sales Taxes	54,219,577	56,150,834	55,992,144	57,661,068	59,370,232
Motor Fuel Taxes	14,060,435	13,967,180	14,160,435	14,160,435	14,160,435
Other Taxes	12,146,814	11,824,496	12,304,793	12,608,429	12,853,100
Franchise Fees	39,297,900	40,176,066	42,732,219	43,645,727	45,130,603
Special Assessments	33,055,594	37,012,802	36,498,634	37,066,384	37,221,637
Licenses and Permits	7,459,891	7,666,292	7,509,424	7,701,064	7,617,498
Charges for Services	206,944,277	234,940,378	234,503,511	247,883,261	259,971,405
Rental Income	28,132,418	30,796,530	30,252,780	33,297,560	34,252,366
Transfers In	40,342,791	45,453,934	39,789,592	40,729,834	39,099,467
Interest Earnings	1,554,256	342,000	768,000	968,000	1,218,000
Other Revenues	23,438,809	25,032,845	31,507,396	36,266,212	39,402,924
<b>Total All Funds Revenue</b>	<b>580,398,111</b>	<b>622,205,455</b>	<b>625,160,141</b>	<b>652,592,111</b>	<b>674,136,361</b>
Less: Interfund Transactions	112,557,648	126,193,641	121,670,224	125,853,486	127,937,723
<b>Net Annual Budget Sources</b>	<b>467,840,463</b>	<b>496,011,814</b>	<b>503,489,917</b>	<b>526,738,625</b>	<b>546,198,638</b>

*Note: Totals exclude Trust Funds, Agency Funds and Capital Project Funds.*



# All Funds Expenditures by Category

ALL FUNDS - EXPENDITURES BY CATEGORY	2013 ACTUAL	2014 ADOPTED	2014 REVISED	2015 ADOPTED	2016 APPROVED
110 Regular Salaries	127,351,149	140,125,253	138,660,879	142,558,556	146,451,647
120 Special Salaries	4,742,197	4,438,292	4,284,598	4,239,090	4,260,289
130 Overtime	5,696,824	3,226,994	3,619,916	3,045,260	3,091,013
140 Employee Benefits	55,225,975	63,067,578	62,142,756	63,230,258	66,037,452
150 Shrinkage	0	(8,624,220)	(9,220,348)	(8,644,781)	(9,202,971)
<b>Salaries and Benefits</b>	<b>193,016,145</b>	<b>202,233,897</b>	<b>199,487,800</b>	<b>204,428,383</b>	<b>210,637,430</b>
210 Utilities	17,246,387	19,679,732	20,108,650	20,796,984	21,300,096
220 Communications	2,289,106	2,422,296	2,472,404	2,456,711	2,447,171
230 Transportation and Training	498,920	802,057	840,888	850,167	842,502
240 Insurance	2,420,692	2,474,947	2,072,429	2,194,626	2,159,093
250 Professional Services	23,281,506	27,729,059	32,567,185	29,349,430	26,821,768
260 Data Processing	7,910,197	8,161,878	8,231,349	8,221,901	8,262,590
270 Equipment Charges	9,431,469	9,169,407	9,250,518	9,224,909	9,224,434
280 Buildings and Grounds Charges	2,545,335	2,993,209	3,026,108	3,312,988	3,313,438
290 Other Contractuals	8,366,139	8,358,960	8,986,365	8,657,707	8,475,987
<b>Contractuals</b>	<b>73,989,751</b>	<b>81,791,544</b>	<b>87,555,895</b>	<b>85,065,424</b>	<b>82,847,079</b>
310 Office Supplies	419,378	493,731	508,015	504,026	504,026
320 Clothing and Towels	732,935	695,353	744,129	744,013	744,513
330 Chemicals	2,369,624	4,486,743	4,558,594	4,505,230	4,508,080
340 Equipment Parts and Supplies	10,029,000	9,560,731	9,699,372	10,114,128	10,134,373
350 Materials	1,747,161	2,813,685	3,174,647	2,795,902	2,802,202
370 Building Parts and Materials	425,142	476,233	450,739	453,573	458,073
380 Non-capitalizable Equipment	2,479,788	2,798,974	3,546,439	3,357,349	3,105,449
390 Other Commodities	594,576	985,838	817,700	835,068	827,042
<b>Commodities</b>	<b>18,797,603</b>	<b>22,311,288</b>	<b>23,499,636</b>	<b>23,309,289</b>	<b>23,083,758</b>
410 Land	907	0	210,000	0	0
420 Buildings	95,390	54,000	79,202	54,000	54,000
430 Improvements Other Than Bldgs.	5,404	0	0	0	0
440 Office Equipment	139,677	10,000	10,000	140,000	10,000
450 Vehicular Equipment	1,425,529	1,348,500	1,120,398	1,466,000	1,266,000
460 Operating Equipment	1,369,537	2,490,900	2,705,600	2,617,000	2,830,500
<b>Capital Outlay</b>	<b>3,036,443</b>	<b>3,903,400</b>	<b>4,125,200</b>	<b>4,277,000</b>	<b>4,160,500</b>
510 Interfund Transfers	11,800,449	13,022,871	10,000,000	13,500,000	7,000,000
520 Debt Service	126,121,373	160,405,399	160,645,822	197,352,110	191,859,050
530 Other Nonoperating Expenses	6,883,774	53,101,588	12,350,372	43,298,012	12,254,699
540 Inventory Accounts	4,550,751	6,634,135	6,551,880	6,647,588	6,814,110
<b>Other</b>	<b>149,356,348</b>	<b>233,163,993</b>	<b>189,548,074</b>	<b>260,797,710</b>	<b>217,927,859</b>
<b>Total All Fund Expenditures</b>	<b>438,196,290</b>	<b>543,404,122</b>	<b>504,216,605</b>	<b>577,877,808</b>	<b>538,656,625</b>

Note: Totals do not include the General Fund appropriated balance reserve. Trust Funds, Construction Funds and Agency Funds are also excluded.



# All Funds Expenditures by Fund

ALL FUNDS - EXPENDITURES BY FUND	2013 ACTUAL	2014 ADOPTED	2014 REVISED	2015 ADOPTED	2016 APPROVED
100 General	205,866,360	214,454,166	213,360,497	218,172,209	223,257,345
300 Debt Service	77,354,634	96,750,652	96,724,373	119,430,523	97,200,318
<b>Total Tax Levy Funds</b>	<b>283,220,994</b>	<b>311,204,818</b>	<b>310,084,870</b>	<b>337,602,732</b>	<b>320,457,663</b>
350 Cemetery	53,031	85,842	85,842	87,732	87,732
209 Homelessness Assistance	340,115	382,736	382,736	382,736	382,736
215 Tourism & Convention Promotion	6,421,109	8,147,553	6,734,480	8,912,269	6,711,903
220 Special Alcohol Programs	1,954,763	1,964,829	1,964,829	2,214,829	1,964,829
225 Special Parks & Recreation	1,818,718	1,867,348	1,867,348	1,975,448	2,128,605
230 Landfill	894,424	4,283,754	1,361,817	4,665,278	1,368,878
231 Landfill Post Closure	708,760	18,256,379	8,951,050	10,578,676	1,408,476
235 Metropolitan Area Building/Construction	5,964,989	6,242,489	6,067,506	6,096,939	5,551,853
236 Economic Development	3,106,893	4,321,273	4,261,973	3,263,474	2,168,361
237 Sales Tax Construction Pledge	28,003,853	34,685,956	26,455,232	36,884,290	30,126,559
238 Downtown Parking	264,641	1,851,082	1,228,910	2,196,768	1,400,584
245 State Office Building Complex	299,843	641,276	641,276	1,243,577	0
255 TIF Districts	3,769,746	20,166,915	10,566,379	21,068,054	7,843,555
260 Self-Supporting Municipal Improvement Dist.	584,171	622,810	622,810	622,810	622,810
265 City/County Joint Operations	3,337,730	3,703,443	3,690,760	3,738,615	3,797,607
<b>Total Special Revenue Funds</b>	<b>57,522,784</b>	<b>107,223,685</b>	<b>74,882,948</b>	<b>103,931,495</b>	<b>65,564,487</b>
500 Airport	19,503,245	21,102,063	21,828,455	28,654,538	31,282,136
515 Golf Course	4,621,617	5,641,486	5,598,596	5,626,049	5,582,161
520 Transit	5,521,725	5,958,063	5,613,296	5,696,023	5,794,670
530 Sewer Utility	45,498,795	53,215,910	54,480,869	54,588,778	56,713,715
540 Water Utility	59,111,026	75,619,706	74,646,617	82,997,103	97,036,233
560 Stormwater Utility	9,068,826	16,571,358	10,614,422	16,404,199	10,858,498
<b>Total Enterprise Funds</b>	<b>143,325,236</b>	<b>178,108,586</b>	<b>172,782,255</b>	<b>193,966,689</b>	<b>207,267,413</b>
600 Information Technology	9,298,276	10,303,405	10,303,404	11,325,183	10,826,038
605 Fleet	15,027,731	17,205,747	17,028,828	17,190,174	16,956,147
620 Self Insurance	42,375,197	52,816,989	52,816,989	56,035,833	59,236,443
<b>Total Internal Service Funds</b>	<b>66,701,205</b>	<b>80,326,141</b>	<b>80,149,221</b>	<b>84,551,191</b>	<b>87,017,628</b>
<b>Gross Expenditures</b>	<b>550,770,219</b>	<b>676,863,229</b>	<b>637,899,294</b>	<b>720,052,107</b>	<b>680,308,109</b>
<b>Less: Interfund Transactions</b>	<b>112,573,929</b>	<b>133,459,107</b>	<b>133,682,689</b>	<b>142,174,299</b>	<b>141,651,565</b>
<b>Net Annual Budget Uses</b>	<b>438,196,290</b>	<b>543,404,122</b>	<b>504,216,605</b>	<b>577,877,808</b>	<b>538,656,625</b>

Note: Totals do not include the General Fund appropriated balance reserve. Trust Funds, Construction Funds and Agency Funds are also excluded.



# Multi-Year Fund Overview - General Fund

GENERAL FUND REVENUE	2013 ACTUAL	2014 ADOPTED	2014 REVISED	2015 ADOPTED	2016 APPROVED
<b>Budgeted Revenues</b>					
Property Taxes	75,091,965	72,505,851	72,377,399	72,982,960	74,818,480
Motor Vehicle Taxes	10,070,871	10,256,153	10,322,536	10,634,870	10,953,915
Local Sales Taxes	27,071,126	28,075,417	27,996,072	28,830,534	29,685,116
Motor Fuel Taxes	14,060,434	14,137,180	14,160,435	14,160,435	14,160,435
Liquor Taxes	1,862,049	1,867,348	1,917,910	1,975,448	2,034,712
Franchise Fees	39,282,857	40,176,066	42,732,219	43,645,727	45,130,604
Licenses and Permits	2,511,065	2,766,464	2,775,444	2,786,444	2,856,444
Charges for Services	7,894,592	9,221,570	8,464,927	8,517,059	8,633,059
Rent Income	2,267,190	2,430,420	2,335,029	2,336,197	2,336,197
Transfers In	10,637,891	13,099,910	5,583,338	5,554,100	5,312,644
Interest Earnings	562,029	180,000	480,000	480,000	680,000
Other Revenue	16,557,302	19,737,787	24,215,188	26,268,435	26,655,739
<b>Total General Fund Revenues</b>	<b>207,869,371</b>	<b>214,454,166</b>	<b>213,360,497</b>	<b>218,172,209</b>	<b>223,257,345</b>
<b>Budgeted Expenditures</b>					
City Council	726,113	750,540	781,106	791,385	802,350
City Manager	9,564,835	10,067,017	9,880,216	10,061,431	10,235,572
Finance	4,009,257	4,790,829	4,830,231	4,920,058	4,976,678
Fire	42,783,189	42,301,778	42,789,466	44,164,586	45,290,565
Housing	38,886	91,291	108,383	108,973	109,736
Human Resources	1,142,875	1,364,135	1,415,505	1,443,248	1,460,476
Law	2,351,360	2,554,743	2,620,878	2,610,370	2,639,685
Library	7,422,174	8,070,719	8,001,206	8,119,102	8,158,551
Metro. Area Building & Construction	784,547	870,087	869,676	869,659	872,680
Municipal Court	5,853,599	6,871,332	6,903,902	6,997,492	7,060,183
Park & Recreation	12,524,510	13,486,823	13,803,884	13,511,694	13,646,685
Police Department	76,639,725	79,497,439	79,335,786	80,541,708	82,361,411
Public Works & Utilities	32,177,701	35,150,242	34,638,224	35,134,527	35,437,642
Transit	3,475,080	3,475,080	3,475,080	3,725,080	3,475,080
Transfers	2,874,371	3,050,550	3,050,550	3,065,407	3,081,744
Other	3,498,138	5,039,274	3,828,838	5,858,016	7,567,434
Shrinkage	0	(2,977,713)	(2,972,434)	(3,750,527)	(3,919,126)
<b>Total General Fund Expenditures</b>	<b>205,866,360</b>	<b>214,454,166</b>	<b>213,360,497</b>	<b>218,172,209</b>	<b>223,257,345</b>
<b>Budgeted Income / (Loss)</b>	<b>2,003,011</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Unencumbered Fund Balance:</b>					
January 1	23,336,963	23,336,963	25,339,974	25,339,974	25,339,974
December 31	25,339,974	23,336,963	25,339,974	25,339,974	25,339,974
<b>Percent of Expenditures</b>	<b>12.3%</b>	<b>10.9%</b>	<b>11.9%</b>	<b>11.6%</b>	<b>11.4%</b>



# Financial Plan - General Fund

GENERAL FUND	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 ACTUAL	2014 REVISED
<b>Budgeted Operating Revenues</b>					
Property Taxes	71,555,017	74,987,929	76,129,630	75,091,965	72,377,399
Motor Vehicle Taxes	9,606,926	9,888,592	10,024,987	10,070,871	10,322,536
Local Sales Taxes	23,998,125	24,987,675	26,174,792	27,071,126	27,996,072
Motor Fuel Taxes	14,704,273	14,420,481	14,418,735	14,060,434	14,160,435
Liquor Taxes	1,762,442	1,684,138	1,773,776	1,862,049	1,917,910
Franchise Fees	36,923,114	36,778,909	37,406,752	39,282,857	42,732,219
Licenses and Permits	2,392,646	2,527,086	2,546,327	2,511,065	2,775,444
Charges for Services	7,837,493	8,886,900	8,040,194	7,894,592	8,464,927
Rental Income	2,236,980	2,135,212	2,243,685	2,267,190	2,335,029
Transfers In	10,340,407	11,609,312	10,181,762	10,637,891	5,583,338
Interest Earnings	2,004,753	912,020	300,882	562,029	480,000
Fines and Penalties	10,613,502	10,329,705	10,469,494	9,385,629	10,613,000
Administrative Charges	3,706,975	3,805,656	4,009,388	3,340,436	3,307,765
Reimbursements	3,725,338	6,204,841	2,985,799	3,831,237	10,294,423
<b>Total Operating Revenues</b>	<b>201,407,991</b>	<b>209,158,455</b>	<b>206,706,202</b>	<b>207,869,371</b>	<b>213,360,497</b>
<b>Budgeted Operating Expenditures</b>					
Wages	109,385,806	108,355,590	106,942,659	108,819,470	114,710,218
Health Insurance	15,820,405	17,375,623	18,346,281	18,284,527	20,882,027
Other Benefits	23,583,539	24,752,626	24,524,393	25,356,651	27,753,274
Contractual Expenditures	36,811,313	39,588,879	37,346,609	37,993,624	40,124,834
Commodities	7,389,807	8,186,387	8,122,054	8,446,971	9,898,911
Capital Outlay	81,331	53,702	29,348	106,616	142,000
Transfers	8,205,052	10,313,391	11,182,829	6,858,501	7,666,124
Shrinkage	0	0	0	0	(7,816,892)
<b>Total Operating Expenditures</b>	<b>201,277,252</b>	<b>208,626,198</b>	<b>206,494,173</b>	<b>205,866,360</b>	<b>213,360,497</b>
<b>Operating Margin</b>	<b>130,739</b>	<b>532,257</b>	<b>212,029</b>	<b>2,003,011</b>	<b>0</b>
<b>Unencumbered Fund Balance:</b>					
January 1	22,461,938	22,592,677	23,124,933	23,336,963	25,339,974
December 31	22,592,677	23,124,933	23,336,963	25,339,974	25,339,974
<b>Percent of Expenditures</b>	<b>11.2%</b>	<b>11.1%</b>	<b>11.3%</b>	<b>12.3%</b>	<b>11.9%</b>
<b>Assessed Valuation</b>	<b>3,151,665</b>	<b>3,150,148</b>	<b>3,151,989</b>	<b>3,111,573</b>	<b>3,124,330</b>
Increase In Assessed Valuation	0.2%	0.0%	0.1%	(1.3%)	0.4%
General Fund Mill Levy	23.619	24.742	24.839	24.443	24.006
Debt Service Fund Mill Levy	8.523	7.530	7.520	8.028	8.503
<b>Total Mill Levy</b>	<b>32.142</b>	<b>32.272</b>	<b>32.359</b>	<b>32.471</b>	<b>32.509</b>
<i>Note: Amounts shown in thousands of dollars.</i>					



# Financial Plan - General Fund

GENERAL FUND	2015 ADOPTED	2016 APPROVED	2017 APPROVED	2018 APPROVED	2019 APPROVED
<b>Budgeted Operating Revenues</b>					
Property Taxes	72,982,960	74,818,480	76,596,383	78,808,496	81,224,352
Motor Vehicle Taxes	10,634,870	10,953,915	11,337,302	11,734,108	12,144,801
Local Sales Taxes	28,830,534	29,685,116	30,575,669	31,492,940	32,437,728
Motor Fuel Taxes	14,160,435	14,160,435	14,160,435	14,160,435	14,160,435
Liquor Taxes	1,975,448	2,034,712	2,126,274	2,221,956	2,321,944
Franchise Fees	43,645,727	45,130,604	46,808,043	47,995,117	49,169,033
Licenses and Permits	2,786,444	2,856,444	2,927,855	3,001,051	3,076,078
Charges for Services	8,517,059	8,633,059	8,848,885	9,070,108	9,296,860
Rental Income	2,336,197	2,336,197	2,394,602	2,454,467	2,515,829
Transfers In	5,554,100	5,312,644	5,418,492	5,585,605	5,759,910
Interest Earnings	480,000	680,000	1,000,000	1,500,000	2,000,000
Fines and Penalties	12,211,808	12,251,308	12,373,821	12,497,559	12,622,535
Administrative Charges	3,374,497	3,438,110	3,524,063	3,612,164	3,702,468
Reimbursements	10,682,130	10,966,321	11,295,311	11,634,170	11,983,196
<b>Total Operating Revenues</b>	<b>218,172,209</b>	<b>223,257,345</b>	<b>229,387,135</b>	<b>235,768,176</b>	<b>242,415,169</b>
<b>Budgeted Operating Expenditures</b>					
Wages	117,603,377	121,184,995	124,214,297	127,319,985	130,573,696
Health Insurance	22,451,932	24,234,791	26,173,575	28,267,461	30,528,858
Other Benefits	26,945,934	27,338,638	28,022,104	28,722,655	29,440,721
Contractual Expenditures	40,239,339	40,353,971	40,757,511	41,165,086	41,507,267
Commodities	9,257,682	9,199,682	9,291,679	9,384,596	9,478,442
Capital Outlay	140,000	140,000	141,400	142,814	144,242
Transfers	8,735,630	8,570,843	8,785,114	9,004,742	9,228,621
Shrinkage	(7,201,687)	(7,765,576)	(7,998,543)	(8,239,164)	(8,486,678)
<b>Total Operating Expenditures</b>	<b>218,172,209</b>	<b>223,257,345</b>	<b>229,387,135</b>	<b>235,768,176</b>	<b>242,415,169</b>
<b>Operating Margin</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Unencumbered Fund Balance:</b>					
January 1	25,339,974	25,339,974	25,339,974	25,339,974	25,339,974
December 31	25,339,974	25,339,974	25,339,974	25,339,974	25,339,974
<b>Percent of Expenditures</b>	<b>11.6%</b>	<b>11.4%</b>	<b>11.0%</b>	<b>10.7%</b>	<b>10.5%</b>
<b>Assessed Valuation</b>	3,162,083	3,248,061	3,338,018	3,431,995	3,526,513
Increase In Assessed Valuation	1.2%	2.7%	2.8%	2.8%	2.8%
General Fund Mill Levy	24.009	24.009	24.009	24.009	24.009
Debt Service Fund Mill Levy	8.500	8.500	8.500	8.500	8.500
<b>Total Mill Levy</b>	<b>32.509</b>	<b>32.509</b>	<b>32.509</b>	<b>32.509</b>	<b>32.509</b>
<i>Note: Amounts shown in thousands of dollars.</i>					



# Revenue Summary - General Fund

GENERAL FUND REVENUE	2013	2014	2014		2015		2016	
	ACTUAL	ADOPTED	REVISED	Percent Change	ADOPTED	Percent Change	APPROVED	Percent Change
	Amount	Amount	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
<b>PROPERTY TAXES</b>	75,091,065	72,505,851	72,377,399	-3.6%	72,982,960	0.8%	74,818,480	2.5%
<b>MOTOR VEHICLE TAXES</b>	10,070,871	10,256,153	10,322,536	2.5%	10,634,870	3.0%	10,953,915	3.0%
<b>LOCAL SALES TAXES</b>	27,071,126	28,075,417	27,996,072	3.4%	28,830,534	3.0%	29,685,116	3.0%
<b>INTERGOVERNMENTAL:</b>								
Motor Fuel Taxes	14,060,434	14,137,180	14,160,435	0.7%	14,160,435	0.0%	14,160,435	0.0%
Liquor Taxes	1,862,049	1,867,348	1,917,910	3.0%	1,975,448	3.0%	2,034,712	3.0%
<b>Total Intergovernmt'l</b>	<b>15,922,483</b>	<b>16,004,528</b>	<b>16,078,345</b>	<b>1.0%</b>	<b>16,135,883</b>	<b>0.4%</b>	<b>16,195,147</b>	<b>0.4%</b>
<b>FRANCHISE FEES</b>								
Electric	20,403,829	21,776,542	22,751,210	11.5%	23,433,747	3.0%	24,136,760	3.0%
Natural Gas	6,926,733	6,245,413	8,560,092	23.6%	7,732,442	-9.7%	7,964,415	3.0%
Water Utilities	6,452,967	6,333,442	5,717,442	-11.4%	6,538,548	14.4%	6,925,556	5.9%
Other	5,499,328	5,820,669	5,703,475	3.7%	5,940,990	4.2%	6,103,873	2.7%
<b>Total Franchise Fees</b>	<b>39,282,857</b>	<b>40,176,066</b>	<b>42,732,219</b>	<b>8.8%</b>	<b>43,645,727</b>	<b>2.1%</b>	<b>45,130,604</b>	<b>3.4%</b>
<b>LICENSES AND PERMITS</b>	2,511,065	2,766,464	2,775,444	10.5%	2,786,444	0.4%	2,856,444	2.5%
<b>CHARGES FOR SALES &amp; SVCS.</b>	7,894,592	9,221,570	8,464,927	7.2%	8,517,059	0.6%	8,633,059	1.4%
<b>RENT INCOME</b>	2,267,190	2,430,420	2,335,029	3.0%	2,336,197	0.1%	2,336,197	0.0%
<b>TRANSFERS IN:</b>								
Public Safety Fees	5,682,518	6,386,694	0	n/a	0	n/a	0	n/a
Landfill Post Closure	300,000	450,000	0	n/a	450,000	n/a	450,000	0.0%
Convention Center Losses	1,474,525	2,064,949	1,636,571	11.0%	1,642,530	0.4%	1,642,164	0.0%
Special Park and Rec.	1,818,718	1,867,348	1,867,348	2.7%	1,975,448	5.8%	2,128,605	7.8%
Other	1,362,130	2,330,919	2,079,419	52.7%	1,486,122	-28.5%	1,091,875	-26.5%
<b>Total Transfers</b>	<b>10,637,891</b>	<b>13,099,910</b>	<b>5,583,338</b>	<b>-47.5%</b>	<b>5,554,100</b>	<b>-0.5%</b>	<b>5,312,644</b>	<b>-4.3%</b>
<b>INTEREST EARNINGS</b>	562,029	180,000	480,000	-14.6%	480,000	0.0%	680,000	41.7%
<b>OTHER REVENUE:</b>								
<b>Fines and Penalties:</b>								
Municipal Court	9,020,179	11,731,388	10,246,000	13.6%	11,819,308	15.4%	11,858,308	0.3%
Library	365,450	400,000	367,000	0.4%	392,500	6.9%	393,000	0.1%
<b>Total Fines &amp; Penalties</b>	<b>9,385,629</b>	<b>12,131,388</b>	<b>10,613,000</b>	<b>13.1%</b>	<b>12,211,808</b>	<b>15.1%</b>	<b>12,251,308</b>	<b>0.3%</b>
Administrative Charges	3,340,436	3,318,670	3,307,765	-1.0%	3,374,497	2.0%	3,438,110	1.9%
Reimbursements	3,831,237	4,287,729	10,294,423	168.7%	10,682,130	3.8%	10,966,321	2.7%
<b>Total Other Revenues</b>	<b>16,557,302</b>	<b>19,737,787</b>	<b>24,215,188</b>	<b>46.3%</b>	<b>26,268,435</b>	<b>8.5%</b>	<b>26,655,739</b>	<b>1.5%</b>
<b>TOTAL GF REVENUE</b>	<b>\$207,869,371</b>	<b>\$214,454,166</b>	<b>\$213,360,497</b>	<b>2.6%</b>	<b>\$218,172,209</b>	<b>2.3%</b>	<b>\$223,257,345</b>	<b>2.3%</b>



# City Manager's Policy Message

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Honorable Mayor Carl Brewer,  
Members of the Wichita City Council

August 12, 2014

## Dear Mayor Brewer and Members of the City Council:

As required by State statute, in August 2014, the City Council approved the 2015 Adopted Budget for the City of Wichita. This budget is reflective of a new beginning for the City of Wichita, positioned for the future growth of our community. The City Council made many tough decisions over the last four years. Over 150 positions were eliminated, and many budgets were held flat. Employees were furloughed and management staffing levels were restructured in nearly every department. However, through it all, reserve levels increased, the mill levy rate held steady, and performance in strategic priority areas was maintained. The City organization was challenged by the previous downturn; however, this challenge was accepted as an opportunity to identify priority functions, to focus resources towards excelling in those areas, and to ensure City operations were managed as efficiently as possible. The leadership of the Mayor and City Council during that period has formed the basis for this budget. The 2015 Adopted Budget is balanced, focuses on outcomes in priority areas, does not require service reductions, and reflects a stable and sound foundation to support future growth.

Concurrent with the development of the 2015 Adopted Budget, the City Council developed a longer term Strategic Plan. This process, which was based on extensive community engagement, identified four key areas that are important for the future of the community (see Issue 1 on page 33). On August 5, 2014, the City Council approved placing a local sales tax on the general election ballot on November 4. Implementation of the Strategic Plan will not be possible without approval of a five-year sales tax. Because the initiative has not yet been considered by voters, neither the revenues, nor the implementation of the Strategic Plan, have been modeled in the 2015 Adopted Budget.

### **2015 / 2016 Adopted Budget Summary**

- 1. The Budget supports operating priorities of public safety, infrastructure, and a sustainable community.*
- 2. The mill levy rate is projected to remain unchanged.*
- 3. With the exception of Transit, the Budget provides a sustainable financial plan, is well positioned for anticipated future growth, and maintains adequate reserves.*
- 4. Reflective of the restructuring over the last four years, the 2015 Adopted Budget does not include any material service reductions or position changes.*

**POLICY DIRECTION** - The 2015 Adopted Budget is based on City Council policy direction. It will not require a mill levy rate increase, for the 21st consecutive year. Funding is focused on outcomes in strategic priority areas: protecting life and property, investing in infrastructure, and creating a sustainable community. Reserve levels will be maintained consistent with Council policy, and strong financial management will continue to ensure a solid fiscal footing for the City. The budget process emphasizes, and is consistent with, community engagement and dialogue.



# City Manager's Policy Message

- ◆ **Stable and low property tax mill levy.** The 2015 Adopted Budget marks the 21st consecutive year in which the budget does not increase the overall mill levy rate; the projected mill levy rate for 2015 will be 32.509, equal to the 2014 levy. A stable and low mill levy rate enhances the local business environment by providing stability and predictability for taxpayers. The Wichita mill levy rate is one of the lowest in the Metropolitan Statistical Area (shown on page 291). Among Kansas first class cities, Wichita has the ninth lowest mill levy (page 289); with the exception of Wichita and Newton, every other first class city levies a city sales tax, with rates varying from 0.75% to 3.00%.

### **Stable Mill Levy Rate**

*The mill levy rate for 2015 is estimated at 32.509, equal to the 2014 mill levy.*

Total taxes levied have also been stable. From 2009 to the 2015 Adopted Budget, taxes levied in total will have increased by a cumulative 1.94% over the six-year period, with most of this growth (1.2%) occurring in 2015, based on estimated increases in assessed valuation due mostly to new construction. This budget is the first to be affected by the recent passage of 2014 HB 2047 by the Kansas Legislature. This bill created additional publication requirements on the levying of taxes. The bill requires a “notice of vote publication” if local governments approve the levy of property taxes at a growth rate greater than the consumer price index (not including valuation growth for new construction and annexation). The State mandated notification threshold for the 2015 levy is calculated at \$103,739,382; the 2015 Adopted Budget requires a levy of \$102,796,161, which is below the mandated limit.

TOTAL TAXES LEVIED 2009—2015 (ADOPTED)							
	2009	2010	2011	2012	2013	2014	2015 ADOPTED
General Fund	72,460,380	74,438,140	76,910,920	78,292,824	76,057,260	74,994,520	75,918,454
Debt Service	28,379,970	26,860,430	23,408,490	23,704,028	24,978,780	26,574,960	26,877,707
<b>TOTAL TAXES LEVIED</b>	<b>\$100,840,350</b>	<b>\$101,298,570</b>	<b>\$100,319,410</b>	<b>\$101,996,852</b>	<b>\$101,036,040</b>	<b>\$101,569,480</b>	<b>\$102,796,161</b>

- ◆ **Adequate reserve levels.** The 2015 Adopted Budget will maintain a General Fund balance of \$25 million, or slightly more than the minimum policy level of 10% of expenditures. In fact, reserve levels in nominal terms have risen each of the last five years. The General Fund balance assures rating agencies of the City's financial stability, allows flexibility for cash flow requirements, and provides an emergency reserve.

### **Adequate Reserve Levels**

- *General Fund Reserves increased each year from 2009—2013.*
- *General Fund Reserves are above the 10% policy level.*
- *Pension Funds are funded at over 90%.*

TOTAL GENERAL FUND RESERVES (MILLIONS OF DOLLARS)							
FUND	2009	2010	2011	2012	2013	2014 REVISED	2015 ADOPTED
Reserve Amount	\$22.5 million	\$22.6 million	\$23.1 million	\$23.2 million	\$25.3 million	\$25.3 million	\$25.3 million
% of Expenditures	11.3%	11.2%	11.1%	11.3%	12.3%	11.9%	11.6%

In addition, the Landfill Post Closure Fund is projected to maintain a reserve greater than 85% of the anticipated post closure liability (or nearly \$11 million), consistent with Council policy. The Self Insurance Fund maintains reserves to ensure a 90% confidence level (a measure of the fund's ability to finance all potentially incurred expenditures). The City's pension funds, in spite of financial market turmoil in recent years, still maintain funded ratios of over 90%, well above most public pension systems.



# City Manager's Policy Message

◆ **Community engagement.** The Budget is based on engagement with staff, employee representatives, and most importantly citizens (see Issue 8 on page 37). Staff met with neighborhood groups in each City Council district, presented preliminary budget recommendations, and received feedback. In addition, two social media town hall events were held. These events resulted in over 210,000 page views, 740 online comments and 1,176 “likes.” Additionally, City Channel 7 and the City website are important avenues for providing citizens with budget information. Community engagement directly influenced the preparation of the 2015 Adopted Budget.

### Expansive Community Engagement

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Follow us @[CityofWichita](#)

Find us at [www.wichita.gov](http://www.wichita.gov)



◆ **Efficient operations.** The 2015 Adopted Budget funds effective services in strategic priority areas. However, the Budget also strives to provide these services as efficiently as possible. For example, the Park and Recreation Department spends less than the benchmark on maintenance per acre of park land, per tree maintained, and recreation center expenditures per visitor, while maintaining an “excellent” or “good” rating by 75% of Wichita residents. The Fire Department spends less per capita than the benchmark, while fire companies arrive faster and confine fires to the room of origin more often than the benchmark. To maintain efficient operations, staff continue to seek opportunities to outsource services and strategically fill vacant positions.

◆ **Strategic priority focus.** The Budget is based on the strategic guidance provided by the City Council with the 2009 adoption of four strategic priority areas. The budget is designed to minimize any impact on outcomes in strategically important areas. Public safety remains the primary focus area, with over 57% of the General Fund expenditures devoted to this area.

**STRATEGIC PRIORITIES:** The mission of the City of Wichita is to provide an environment to protect the health, safety, and well-being of all who live and work in the community, to preserve the assets and natural resources entrusted to it, to assure equality of opportunity, and to contribute to the quality of life for all its citizens. To fulfill this mission, four strategic priorities were established by the City Council in 2009, in response to the changing economic conditions at that time. These priorities include: ensuring physical safety; protecting property; protecting public infrastructure; and creating a growing community. The resources allocated in the 2015 Adopted Budget are designed to produce meaningful outcomes in the four strategic priority areas. The strategic priorities also drive departmental goals, which are included in the budget documents. Departmental goals drive strategic decision making within each department. Finally, the City extensively uses performance measures to quantify the outcomes produced in relationship to targets and benchmarks, to provide transparency to residents on the use of taxes and City funds, and to ensure that operations are both effective and efficient.





# City Manager's Policy Message

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While Strategic Management guides what services are provided by City departments, and how those services are provided, performance measures are extensively used to determine *how well* those services are provided. Staff report performance through over 400 measures, many of which are included in this Adopted Budget. That data collection occasions a programmatic analysis of each City service. Performance below benchmark levels or performance targets is analyzed to determine whether strategy or funding adjustments are necessary. Ultimately, the Adopted Budget is developed complete with performance targets for each City service. These targets represent the level of performance expected based on the amount budgeted. After the budget is adopted and funded strategies are implemented, staff monitor performance levels and the performance measurement cycle begins again.

**Ensuring the Physical Safety of Citizens:** Spending on strategies to ensure the physical safety of citizens and visitors in Wichita takes up nearly 57 cents of every General Fund dollar. The Adopted Budget includes nearly \$7 million for Municipal Court. Due to the implementation of e-Citation technology, time spent entering each citation is expected to decrease to two minutes, improving efficiency. Additional customer service improvements have been realized through the implementation of Interactive Voice Recognition (IVR) technology, reducing average call wait time to five minutes, a significant improvement over prior levels. Risk-based case management strategies in Probation Monitoring and Supervision are expected to continue to reduce recidivism rates among probationers.

The Police Department, with a budget of \$77 million, has an exceptional record for solving violent crimes. Clearance rates for homicides, rapes, and aggravated assaults are substantially better than the FBI averages. Nearly seven of every ten violent crimes (66.9%) were solved in 2013; much higher than the ICMA-Center for Performance Measurement (ICMA-CPM) benchmark of 50.4%. The budget maintains funding levels for the current investigative strategies and staffing. The Police Department also uses a community policing strategy, utilizing beat patrol officers in partnership with the community to solve problems and reduce crime. The successful Homelessness Outreach Team (HOT) of Wichita police officers is an innovative effort to assist the homeless, and will be permanently integrated into the community policing strategy (see Issue 5 on page 35). In addition, two recruit classes are funded in 2015, which will further enhance staffing levels.

### **Ensuring Physical Safety**

*The Wichita Police Department clears cases at a level far exceeding the benchmark.*

Recently, City resources have been strained by numerous and successive heavy winter weather events (see Issue 4 on page 35). Private contractors will be utilized to supplement City staff to increase snow removal and clean up capacity, with \$100,000 included in the 2015 Adopted Budget. In addition, \$750,000 in contingency funds are included to ensure resources are available to support necessary snow removal efforts. These changes will help provide better commutes during inclement weather conditions.

**Protecting Property:** The Adopted Budget includes over \$44.6 million for the Fire Department to maintain current outcomes, including a projected response of less than five minutes for 84% of calls, compared to the ICMA benchmark of 65%. This Budget includes six new grant-funded fire fighters, as well as a new Fire Division Chief position to oversee safety and training efforts, to reduce overtime and work absences, and to ensure a safer work environment and community (see Issue 15 on page 41). The Budget also projects future savings in 2016 from a strategic assessment of responses to medical calls, in coordination with Wichita-Sedgwick County Emergency Medical Services Systems (EMSS). The changes are expected to produce better responsiveness and service to citizens, concurrently with lower system-wide costs. As with violent crimes, the Police Department provides outcomes for property investigations that exceed ICMA benchmarks. Over 20% of all property crimes are cleared by the Wichita Police Department, compared to an ICMA-CPM benchmark of 17.8%. The Adopted Budget funds a continuation of current strategies in this area.

### **Protecting Property**

*The Wichita Fire Department responds to calls faster and confines fires to the room of origin better than the benchmark.*



# City Manager's Policy Message

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**Protecting the Investment in Public Infrastructure:** One of the most visible signs of infrastructure investment is street maintenance. From a level of \$4 million in 2011, annual support for contract street maintenance was gradually increased over several years to \$8 million. Longer term, staff have set \$10 million as an annual goal by 2018, depending on the ability to re-prioritize future CIP spending. In addition to increased expenditures for street maintenance, after a two year pilot, staff are implementing an innovative return on investment model to maximize the effectiveness of street maintenance dollars. This model uses new performance measures, such as remaining service life and network street value, to measure the street network condition. Based on modeling, this new approach is expected to stabilize street conditions in the long-term, whereas the traditional approaches would have resulted in a significant long-term degradation in street conditions (see Issue 3 on page 34).

### **Investing in Infrastructure**

*The Facilities Management Division spends less per vehicle than the benchmark, and has a lower percentage of vehicles exceeding replacement criteria than the benchmark.*

The Adopted Budget also focuses on building maintenance. With the implementation of a reorganization of the Facility Maintenance Division, which was approved last year, staff will review the City's inventory of facilities to dispose of and reduce maintenance costs on facilities no longer strategically vital to City operations. The reorganization streamlines resources within Public Works & Utilities, focusing on utility costs and possible strategies to reduce those costs through strategic investments. With these adjustments, targets for custodial costs per square foot (\$1.12) and repair expenditures per square foot maintained (\$1.61) are expected to remain below ICMA benchmark levels.

The City maintains a fleet of over 3,000 pieces of equipment. This investment is maintained and replacement schedules are managed by City staff. The Adopted Budget continues to invest in fleet replacement, with over \$3.8 million budgeted in the 2015 operating budget (in addition to amounts included in the 2011-2020 Adopted CIP for heavy equipment). This investment contributes to a lower average fleet maintenance expenditure per vehicle (\$3,270 compared to the benchmark of \$3,649), and also minimizes the percentage of vehicles that exceed replacement criteria (0% for Police and 4.4% for Fire vehicles, compared to ICMA benchmarks of 14.8% and 19.0%, respectively). Replacement rates for non-public safety vehicles are generally in line with ICMA benchmarks.

**Promoting a Sustainable and Growing Community:** Numerous activities are funded by the budget to promote economic development and quality of life activities, ultimately maintaining Wichita as a desirable place for businesses, residents, and visitors. The City's Economic Development Policy requires a benefit-cost ratio of 1.3:1 to ensure that the public benefit exceeds the cost.

The Adopted Budget includes a total of nearly \$9 million for arts and cultural activities, funding the Convention Center, as well as City-owned and operated facilities, City-maintained facilities, and grants to cultural organizations (see Issue 14 on page 40). Attendance at cultural facilities has been increasing in recent years, and over 166,000 visits to Cowtown Museum, the Mid-America All Indian Center, the Historical Museum, and the Art Museum are expected in 2015. The percentage of days the Convention Center is utilized is projected to increase to 44.3%.

### **Promoting a Sustainable Community**

*The City provides 1.3 mills of support based on the cultural funding plan, including \$3.6 million for cultural institutions and \$0.4 million for cultural funding grants, and \$0.1 million for other costs.*

Included in the cultural spending is 1.3 mills (or over \$4.1 million) in 2015, based on the City's Cultural Funding Plan. This includes \$3.6 million in grants for cultural institutions such as the Wichita Art Museum and six other cultural facilities. A total of \$400,000 is budgeted for cultural funding grants, based on recommendations by the Cultural Funding Committee. In the past, this has provided varying amounts of funding to approximately 20 organizations. The remaining funding of \$100,000 is for building insurance and reserves.

The Adopted Budget includes the repurposing of the current Kansas Wildlife Exhibit in Riverside Park, as well as improvements to O.J. Watson Park to update amenities and improve cost recovery. Both of these recommendations were included in the budget last year for 2015. Since then, very robust community dialogue has led to many very positive recommendations. However, to ensure that both facilities are restructured appropriately, and in full partnership with the community, the Budget delays any funding changes until 2016.



# City Manager's Policy Message

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A total of \$8.7 million is included for Park Maintenance and Forestry Division activities. Park and Recreation staff maintain over 4,000 acres of parks and open spaces at a projected cost of \$1,427 per acre, significantly below the ICMA benchmark of \$2,113 per acre. The City's urban forest has been hard hit by drought conditions, and many public trees have died in public rights-of-way or property, such as parks. The budget includes an additional \$250,000 in 2014 to provide contractual tree removal services. This will supplement City crews and expedite the removal of dead trees.

**STRATEGIC OPERATIONAL MANAGEMENT:** The 2015 Adopted Budget is built on the foundation of Council policy, as outlined above. However, it is equally important to employ appropriate operational management strategies to ensure efficiency in City operations, to deliver targeted outcome levels, and to maintain financial stability. Some of these strategies include:

- ◆ **Managing Wage Costs.** Salary and benefit costs are the largest City expense and account for 73% of General Fund expenditures. It is imperative that staffing levels be managed within projected available resources. While providing equitable compensation - including wages, health insurance and retirement benefits - to City employees is important, it is equally necessary to balance those needs with available resources. In addition, before filling vacancies, staff will continue to weigh the strategic priority of each position to manage wage costs.
- ◆ **Using Technology.** Staff continue to explore investments in technology to reduce operating costs or enhance service levels. Park & Recreation completed implementation of new registration software in 2013, allowing patrons to register online for the first time. Wichita's golf courses will be implementing new software in 2014 that will improve online customer service and allow for variable pricing. In the 2015 Adopted Budget, staff will work to improve customer service by further developing web applications and updating the City's website design (see Issue 7 on page 36). Additional major software systems that support Finance, Human Resources, and Public Works & Utilities are scheduled for replacement.
- ◆ **Mitigating Health Insurance Costs.** Health insurance costs continue to be one of the primary drivers of expenditure growth. In the 2015 Adopted Budget, the City will spend \$30.3 million on health insurance, including \$22.5 million in the General Fund. City staff, in conjunction with employee advisory committees, will continue to explore innovative ways to reduce costs, including wellness incentives to encourage healthy behaviors, and enhancing ongoing health maintenance options, particularly for chronic conditions. These efforts have regularly resulted in rate increases below budgeted amounts.
- ◆ **Coordinated Marketing Efforts.** Past City marketing efforts have been disjointed and uncoordinated. The 2015 Adopted Budget better coordinates these efforts (see Issue 6 on page 36). These changes will begin in 2014, with improvements to the City's brand architecture and logo usage. In addition, website improvements are expected in 2014, which will aid in future marketing improvements. For 2015, a new position (Strategic Communications Manager) will be added and a marketing committee composed of City staff will develop a comprehensive marketing plan, capitalizing on systematic improvements made in 2014 to provide a more holistic and effective approach to marketing City services in the future.
- ◆ **Outsourcing.** In the past, the City has utilized outsourcing of functions to reduce costs. Generally, functions that the private sector can perform similarly to City staff and functions that have a varying degree of service demand (seasonality) are ideally suited for outsourcing. Last year, outsourcing City Hall security screener duties was included in the budget, and will be evaluated this fall. In addition, there will be a pilot program in which certain street maintenance functions are privatized. The 2015 Adopted Budget also includes additional funding for outsourced tree removal in 2014, and for contracted snow removal (to supplement City crews) in 2015. The review of options to outsource other services will continue. If opportunities arise to reduce costs and provide the same or better outcomes from outsourcing services, these options will be presented for consideration.

**OPERATING ENVIRONMENT:** The current economic environment is considerably better than the previous four years. Area employment grew 1.2% in 2013, and growth of 1.2% is projected in 2014, based on a report from the Wichita State University (WSU) Center for Economic Development and Business Research (CEDBR). Through June, area employment is higher than one year ago. Both the CEDBR Current Conditions Index and Leading Indicators Index were higher in June 2014 than June 2013.

## **Operating Environment Issues**

1. *Economic conditions are improving.*
2. *Property valuation is increasing.*
3. *Project Downtown continues to serve as a blueprint for millions of dollars of private investment in downtown Wichita.*



## City Manager's Policy Message

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The local real estate market is improving. The WSU Center for Real Estate forecasts a 2.2% increase in home prices in 2014, and a 2.5% increase in new home sales. The value of residential construction permits was up 23.9% in 2013. Assessed valuation, upon which property tax revenues are calculated, declined 1% from 2009 to 2014. This decline was due to the erosion of \$103 million in machinery and equipment valuation (based on the legislative exemption of equipment in 2006) and a reduction of \$126 million due to changes in the value of property (which declined each year). However, new construction helped offset these losses, growing a cumulative \$211 million. Estimates for 2015 indicate that changes in value are positive for the first time since 2009, and new construction is estimated to add \$45 million in valuation, the most since 2010. Valuation is estimated to increase by 1.2% in 2015, after increasing 0.4% in 2014.

After a comprehensive two-year planning process, the City Council adopted Project Downtown in December 2010, a 15-year blueprint for public and private investments in downtown. Between 2010 and 2013, Wichita saw the investment of over \$291 million in the downtown area, with nearly 86% of these investments coming from private sources. Since the adoption of Project Downtown, at least 37 projects have been completed, including Drury Plaza Hotel Broadview, INTRUST Bank Arena, Fairfield Inn & Suites Wichita Downtown, Cargill Innovation Center, Robert D. Love Downtown YMCA, the Kansas Leadership Center and Kansas Health Foundation Conference Center, and the Ambassador Hotel at Block One. In addition, numerous other residential and commercial development projects are under construction or are in the planning stages. Projects on the horizon, such as River Vista condominiums and downtown parking improvements, will further enhance downtown Wichita, making it an even more desirable place to live, work, play, and visit.

Although economic conditions are improving and look more promising, it is important to recognize potential threats to the 2015 Adopted Budget:

- ◆ **Weak Economic Growth:** The local economy appears to have stabilized. Employment is rising, taxable sales are growing, and franchise fees (reflecting to a degree increased utility consumption) are rising. However, there is always a degree of uncertainty with economic projections, particularly given the integration of Wichita into the global economy. Generally, this budget is built on the assumption of stabilization and very modest growth in 2015, with improvements occurring in the out years.
- ◆ **Weakness in Property Values:** From 2009 through 2013, property valuation was essentially flat. This trend appears to be over as evidenced by very modest growth in 2014 and an estimated 1.2% growth in 2015. The Adopted Budget and the long-term forecast assume a modest recovery beyond 2015, but at annual growth rates significantly below pre-recessionary averages. Since property taxes comprise about 36% of General Fund revenue, any weakness in local property values in 2016 would likely necessitate a variety of expenditure reductions to balance the budget.
- ◆ **Volatile Fuel and Commodity Prices:** Fuel prices have been somewhat stable since 2012, albeit at a relatively high price point. However, international events and national policy direction can have both unpredictable and dramatic impacts on City costs. The City uses about 1.3 million gallons of fuel annually; every 10¢ change in the price per gallon changes the City's fuel costs by \$130,000. In addition, chemicals and many other petroleum-based products used by the City face price volatility. City staff continue to identify strategies for conserving fuel and shifting portions of the City fleet to alternative fuel sources.

**FINANCIAL PLAN:** Integral to the 2015 Adopted Budget is the City's financial planning process (beginning on page 77). The Financial Plan includes a longer term view, with five-year projections. Although projecting for that length of time is challenging at best, the plan does serve an essential purpose in identifying potential issues and trends, which provides time for thoughtful and strategic responses. In general, the financial plan is also guided by the current policy direction provided by the City Council and does not presuppose any changes to those policies.

**TOTAL CITY REVENUES AND EXPENDITURES:** The 2015 Adopted Budget includes \$577,877,808 in expenditure authority among all of the City's funds. For the 2014 Revised Budget, a total of \$504,216,605 is included; an increase of \$66 million over 2013 actual expenditures. These increases are largely due to budgeted amounts to provide flexibility for utility needs and debt financing.



# City Manager's Policy Message

ALL FUNDS EXPENDITURE SUMMARY: 2013—2016					
FUND	2013 ACTUAL	2014 ADOPTED	2014 REVISED	2015 ADOPTED	2016 APPROVED
General Fund	205,866,360	214,454,166	213,360,497	218,172,209	223,257,345
Debt Service	77,354,634	96,750,652	96,724,373	119,430,523	97,200,318
Special Revenue	57,522,784	107,223,685	74,882,948	102,931,495	65,564,487
Enterprise	143,325,236	178,108,586	172,782,255	193,966,689	207,267,413
Internal Service	66,701,205	80,326,141	80,149,221	84,541,191	87,018,628
Interfund Transfers	(112,573,929)	(133,459,107)	(133,682,689)	(142,174,299)	(141,651,565)
<b>NET ANNUAL BUDGET</b>	<b>\$438,196,290</b>	<b>\$543,404,122</b>	<b>\$504,216,605</b>	<b>\$577,877,808</b>	<b>\$538,656,625</b>

Debt Service Fund expenditures were artificially low in 2013, due to the timing of temporary note retirements. In 2014 and 2015, the Debt Service Fund is budgeted to provide flexibility to accelerate the retirement of temporary notes and to fund anticipated debt service. Likewise, the Local Sales Tax Fund increases in 2015 to provide flexibility with respect to funding capital improvements and related debt. A one-time transfer of Landfill Post Closure Fund reserves inflates 2014 expenditures compared to 2013; an offsetting adjustment will occur with respect to 2015 expenditures. Environmental TIF funds include additional budget authority in 2014 based on potential environmental mitigation costs. Aside from these adjustments, total growth in 2014 compared to 2013 is \$10.4 million, or 2.4%.

The 2015 Adopted Budget is \$72.7 million more than the 2014 Revised Budget. However, this growth is mostly offset by the artificial impact of including appropriated reserves (in accordance with State Law); this accounts for \$33.3 million. As shown in the table to the right, aside from appropriated reserves, the total increase in 2015 is \$14.4 million, or 2.8%.

CITY BUDGET GROWTH COMPONENTS (Dollars in Millions)		
	2014 REVISED	2015 ADOPTED
<b>Annual Increase</b>	<b>66.0</b>	<b>72.7</b>
Water and Sewer Utilities	24.5	
Debt Service Fund	19.3	22.7
Landfill Reserve transfer	8.0	(8.0)
Environmental TIF	3.8	
Local Sales Tax Fund		10.3
Budgeted reserves		33.3
<b>All Other Changes</b>	<b>10.4</b>	<b>14.4</b>
<b>PERCENTAGE INCREASE (not including items above)</b>	<b>2.4%</b>	<b>2.8%</b>

**GENERAL FUND:** The General Fund receives about three-quarters of the City's property tax levy. The funds are used to finance City services cited by residents as being the most important, including police operations, fire protection, parks, transit, and infrastructure maintenance. General Fund expenditures account for almost half of the entire City budget. Expenditures in the General Fund are aligned with revenues, resulting in a balanced budget for 2015. The General Fund budget is based on a mill levy rate estimated at 32.509 mills, equal to the rate levied in 2014. The projected balance in the General Fund will be over \$25.3 million, equal to an estimated 11.6% of expenditures, in 2015; a level exceeding the 10% policy minimum.

LONG TERM GENERAL FUND FINANCIAL PLAN (Dollars in Millions)						
	2014 REVISED	2015 ADOPTED	2016 APPROVED	2017 APPROVED	2018 APPROVED	2019 APPROVED
Revenues	213.4	218.2	223.3	229.4	235.8	242.4
Expenditures	213.4	218.2	223.3	229.4	235.8	242.4
<b>PERCENT CHANGE</b>	<b>2.6%</b>	<b>2.3%</b>	<b>2.3%</b>	<b>2.7%</b>	<b>2.8%</b>	<b>2.8%</b>



# City Manager's Policy Message

General Fund expenditures in 2014 are projected to increase by \$7.5 million or 3.6% over 2013 expenditures, with 2015 growth of \$4.8 million or 2.3%. Primarily, the modest increase is for wages, pension, and health insurance costs. In 2014, street maintenance expenditures will increase by \$1.2 million, due mainly to under expenditures in 2013 related to the implementation of the street maintenance pilot program. Longer term, health insurance and base wage adjustments are budgeted to account for nearly all increases in General Fund expenditures.

**OTHER FUNDS:** The City budget is comprised of 33 additional funds. These are reviewed in greater detail in the Financial Plan section. Generally, most of the City's other funds are stable, with adequate reserves and favorable forecasts. Four funds merit further discussion.

- ◆ **Debt Service Fund.** The budgeted property tax revenue in the Debt Service Fund is higher than in prior years, since the planned mill levy rate for debt service shifted a cumulative one mill to this fund in 2013 and 2014. Revised expenditures in 2014 are nearly \$30 million higher than was spent in 2013. Temporary note retirements were significantly lower than budgeted in 2013, resulting in a larger than expected fund balance. This fund balance will be reduced in the 2014 Revised Budget, and again in the 2015 Adopted Budget, as additional temporary notes are retired. An additional \$8 million in excess Landfill Post Closure reserves will be shifted to the Debt Service Fund and will be used to retire temporary notes. Longer term, the Debt Service Fund is sustainable and the balance is expected to drop to more typical levels.
- ◆ **Transit Fund.** Financing public transit is a challenge not unique to Wichita. The fund has been stressed for several years (see Issue 2 on page 34). Last year, the Transit Fund was expected to be sustainable only through 2015 with loans from other City funds. With the use of federal carryover dollars and the deferment of capital replacement, the Transit Fund is now projected to be financially sustainable through 2016. However, it is clear that before the end of 2016, a service reduction of as much as 24% would be needed without additional revenue. Transit will continue to be a significant issue for the community, particularly as the City Council's Strategic Plan moves forward.
- ◆ **Water and Sewer Utilities.** To ensure appropriate debt service coverage ratios and funding for capital improvement projects, Public Works & Utilities staff have projected rate increases based on a cost of service analysis (COSA). The 2015 Adopted Budget is modeled around this COSA; however, actual rate increases that are presented to the City Council each year will be based on a more detailed review of the financial status of the utilities at that time. In addition, staff are currently updating the long-term water supply plan as part of the City Council's Strategic Plan. Depending on the option selected, this could have an additional impact on Water Utility rates.

PROJECTED WATER AND SEWER UTILITY RATE INCREASES					
	2015	2016	2017	2018	2019
Sewer	5.0%	5.0%	5.0%	5.5%	5.0%
Water	6.0%	5.5%	4.0%	3.0%	3.0%

**CAPITAL IMPROVEMENT PLAN (CIP):** In addition to the annual operating budget, the ten-year Capital Improvement Program (CIP) is an integral part of the City's financial planning process. The current Adopted CIP for the period of 2011 through 2020 totals over \$2.1 billion, and reflects a plan for community improvements. Staff are currently developing the next CIP, a process that is expected to be completed this fall.

### City Debt Levels

1. Total debt has decreased by \$165 million since 2010.
2. Debt levels in the future are projected to increase, based on a variety of community improvements.
3. The operating budget is structured to fund future projected debt service.



## City Manager's Policy Message

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The CIP is integrated into the annual operating budget process. The City's priority areas and strategic plans guide the development of capital project spending plans, and the operating impact of capital improvement projects are considered when developing the operating budget (see Issue 12 on page 39). The CIP utilizes debt financing, which impacts the Debt Service Fund, the Local Sales Tax Fund, and various Utility funds.

Since 2010, General Obligation (GO) and Revenue Bond debt levels associated with the CIP have decreased from \$1.059 billion to \$893.8 million in 2013. The largest portion of City GO debt is associated with special assessments, with 2013 special assessment debt totaling \$230 million (down \$36.5 million from 2010). GO debt funded with proceeds from the county-wide sales tax comprises \$122.2 million of GO debt, down \$8.5 million from 2010. GO at-large debt, financed mostly through the property tax levy in the Debt Service Fund totaled \$76 million in 2013, or \$4.9 million less than in 2010. Revenue Bond debt decreased by \$127.2 million from 2010 levels, primarily due to a reduction in Airport facility bonds (down \$51.4 million, to a total of \$1.6 million) and Water and Sewer Utilities debt (down \$60.7 million, to a total of \$400.9 million).

Even at the peak levels of 2010, City debt was considerably below the State statutory limit of 30% of assessed valuation. In 2013, City debt was only 13% of the State debt limit (see page 263). The City's debt policy includes the practice of issuing 10-year GO debt and has guided prudent usage of debt to fund long-term improvements, while maintaining sufficient coverage ratios. The City's audited financial statements, available at [www.wichita.gov](http://www.wichita.gov), provide a more detailed presentation of City debt levels.

Although debt levels have decreased, forecasts indicate levels will increase in the future. However, these projected higher levels of future debt are reflective of a number of projects that will enhance the community. In addition, based on prudent financial planning and past debt reductions, any future debt increases are projected to be manageable from funds included in the operating budget. Currently, there are \$160 million in temporary notes outstanding for Water Utility improvements. Permanent financing for a large portion of these temporary notes will occur soon, increasing debt levels to be repaid from Utility revenue.

In addition, the City is currently constructing a new airport terminal and parking structure at an estimated cost of \$200 million. While this project will be financed with a variety of funding sources, including federal funds and airport-generated revenues, as and -Airport Fund cash, GO debt levels will increase as permanent financing is issued. In partnership with the State of Kansas, freeway improvements in east Wichita are planned, which will impact GO debt financed with county-wide sales tax proceeds. Finally, the CIP includes an aggressive program of street and building improvements, many of which are in progress or planned in the near future.

**COMMUNITY ENGAGEMENT:** Once again, the process of formulating the 2015 Adopted Budget has placed a strong emphasis on community engagement and dialogue. Traditional meetings with neighborhood groups, District Advisory Boards and various community organizations, have been updated to include comment cards for attendees to share information and for staff to receive feedback. City Channel 7 and the City's website play major roles, by rebroadcasting presentations and providing access to a variety of documents and information.

For the third year, the social media town hall format has provided a forum for reaching out to citizens. Two events were hosted on May 21 and June 18, both far in advance of budget adoption. Dialogue was constructive and citizens provided many ideas on a variety of operating budget concepts. Based on social media town hall support, several concepts are funded in the 2015 Adopted Budget, including removal of dead trees by contractors, a contingency for snow removal efforts, the Homeless Outreach Team, an expanded water conservation rebate program, a greater focus on social media efforts, and new street maintenance approaches. Concepts that will be studied in preparation for the next budget include maintenance of bicycle facilities, swimming pool hours of operation, van pooling, and river water quality testing and public notification. In addition, valuable feedback was received on the deployment of future mobile apps, code enforcement, and updating the City website.



## City Manager's Policy Message

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**CONCLUSION:** The 2015 Adopted Budget reflects a comprehensive effort by a variety of staff, based on policy direction and community involvement. In a broader sense, the 2015 Budget reaps the fruit of many difficult but necessary policy decisions made by the City Council over the last four years; decisions that have the City financially well positioned and created an appropriate foundation for the future. The budget focuses resources in strategic priority areas and includes targeted outcome levels.

Since the day in 1869 when Jesse Chisholm, "Buffalo Bill" Mathewson, William Griffenstein and James R. Mead stood at the confluence of the Big and Little Arkansas rivers and shared a vision that this spot would be the location of a great city, Wichita has had a long history of great visionaries and community leaders. Most recently, effective elected leadership has led Wichita through the economic downturn, accepting the challenge to restructure the City to an outcomes-based model that provides priority services to citizens as efficiently as possible, with measurable outcomes. These decisions over the last four years serve as a foundation for this 2015 Adopted Budget. The Budget represents a sustainable financial model to effectively position the City of Wichita to grow in the future.

Sincerely,

Robert Layton  
City Manager

### *Acknowledgements*

The City's 2015 Adopted Budget is based on the input and contributions of many individuals. Many City staff, including Department Directors and Assistant City Manager Cathy Holdeman played key roles in the budget process. Staff in the Finance Department spent a great deal of time assessing revenue and expenditure trends, refining the performance measurement model, researching policy alternatives, and producing this document. The exceptionally talented staff is led by Finance Director Shawn Henning, who was recognized in 2014 by the Wichita Business Journal as a top Chief Financial Officer in 2014. Budget and Research Office staff, whose accomplishments include GFOA Distinguished Budget Award recognition, Special Performance Measures and Special Capital Projects recognition, and ICMA-CPM's Certificate of Distinction, includes Budget Officer Mark L. Manning, and analysts Trinh Bui, Elizabeth Goltry Wadle, Troy Tillotson, and Branden Hall.



*Botanica, the Wichita Gardens, was opened to the public in May 1987 as a partnership between the City of Wichita and the Wichita Area Garden Council. Since its opening with four gardens and a horticultural library, Botanica has added 26 additional themed gardens and exhibits. The Jayne Milburn Aquatic Collection, pictured above, was dedicated in August 1989. New additions to Botanica in 2014 include an event center and the Chinese Garden of Friendship.*

## 1. City Council Strategic Plan

**Issue** - The City Council has developed a Strategic Plan impacting four key areas. This plan was developed based on community dialogue over the past 12 months. A five-year local sales tax is being considered to implement the plan.

For nearly a year, community dialogue has taken place to determine the future strategic direction for the City of Wichita. Initially, community surveys were mailed to area residents to determine priorities as part of the Community Investments Plan. Later in 2013 and into early 2014, citizen meetings were held with over 2,000 participants. Additional input was received through the online ACT-ICT process.

Based on this feedback, the City Council began consideration of a Strategic Plan for the City of Wichita. Ultimately, eight priorities were considered by the City Council in a series of workshops in May 2014. These eight priorities included:

- Water Supply
- Economic Development
- Transit
- Pavement Maintenance
- Affordable Housing
- Homelessness
- Passenger Rail Service
- Quality of Life Facilities

At a workshop on May 27, 2014, the City Council narrowed the focus to four priorities. Affordable Housing and Homelessness have been identified by the community as important issues, and staff is developing funding options to address these areas, with expected completion in the fall of 2014. Likewise, Passenger Rail Service has significant economic development potential and is important. However, the City is currently in the early planning stages with many funding partners, and its inclusion in the City's Strategic Plan was considered premature. There are significant needs for improvements to Quality of Life facilities, but these will be addressed during the upcoming CIP development process.

After development of the Strategic Plan in May, staff continued the community engagement process. The City Council considered strategic plan issues on July 22, and voted to approve a sales tax referendum on August 5. The election will take place on November 4, 2014.

The Council's Strategic Plan includes the following allocations for a proposed one-cent sales tax:

STRATEGIC PLAN COMPONENTS		
ITEM	% OF ONE-CENT	ESTIMATED 5-YEAR COST
Water Supply	63%	\$250 million
Jobs Fund	20%	\$80 million
Public Transit	10%	\$39.8 million
Street Maintenance	7%	\$27.8 million
<b>Total</b>	<b>100%</b>	<b>\$397.6 million</b>

Water Supply - The plan includes \$250 million to fund water supply improvements. Based on projected growth rates, the identification of a new water supply is critical to ensure adequate supplies through 2060. In addition, a new water supply is projected to reduce the possibility of entering stages 3 and 4 as identified in the Drought Plan, in which rather severe usage restrictions would be required. Finally, conservation will be a part of any water supply plan. However, with a new water source, adequate water supply will help provide necessary resources for citizens.

Economic Development Jobs Fund - A total of \$80 million of a one-cent sales tax to economic development to retain and attract employers. Local employment was hard hit by the recession and recovery has been slower in Wichita than in peer cities and regions. Support for economic development would be split, providing 40% for relevant infrastructure improvements, 40% for workforce training, and 20% for expansion and relocation costs.

Transit - An additional \$39.8 million of a one-cent tax would fund transit operations. Wichita Transit provides over two million rides annually. In the past, operations have been maintained by service reductions, City loans, deferred capital purchases, and increased use of Federal funds for operations. Based on capital replacement needs and declining carryover funds, severe reductions will be required by 2016 without additional funding. New funds would be used to modernize the fleet, replenish reserves, repay loans, and increase service levels.

Pavement Maintenance - The plan includes \$27.8 million of a one-cent tax to fund pavement maintenance efforts. The City has over 5,000 lane miles of paved streets. Pavement condition has slowly deteriorated over the last decade in Wichita. New pavement strategies will enhance the effectiveness of City efforts; however, additional funds would expedite improvements to streets in poor condition and help to more rapidly stabilize overall pavement conditions in Wichita.

The 2015 Adopted Budget is not built upon a successful sales tax referendum. However, a successful referendum would clearly have a positive impact on the operating budget in the future by avoiding significant Transit reductions anticipated by 2016 (see Issue 2 on page 34); by enhancing outcome targets for street conditions, mitigating future rate increases for Water Utilities, and providing a more economically stable and viable community.



## 2. Funding Transit During a Transition Period

**Issue** - The 2015 Adopted Budget includes funding to sustain current Transit operations only through 2016. Without additional funding, service reductions of up to 24% will be required by 2016.

The financial situation of the Transit Fund has produced multiple challenges in recent years. This is due to cost increases for fuel and benefits (primarily pension contributions and health insurance) and challenges in funding mandated ADA rides. In the past few years, the challenges have compounded, with an aging fleet and shrinking federal apportionments worsening the situation.

Facing a shortfall in 2011, funding was restructured to include increased farebox revenue (due to a fee increase) and to utilize cumulative funding from the Permanent Reserve Fund of \$785,000 in 2011 and 2012. These planned changes were expected to stabilize the system until 2013, at which time funding for future service delivery was expected to be solidified as a result of additional State funding and service restructuring opportunities identified through public input efforts. However, farebox earnings in 2011 were lower than expected and operating expenditures continued to increase. As a result, nearly all contingency reserve funding (\$675,000) was exhausted in 2011, creating a potential deficit in 2012 estimated at \$500,000.

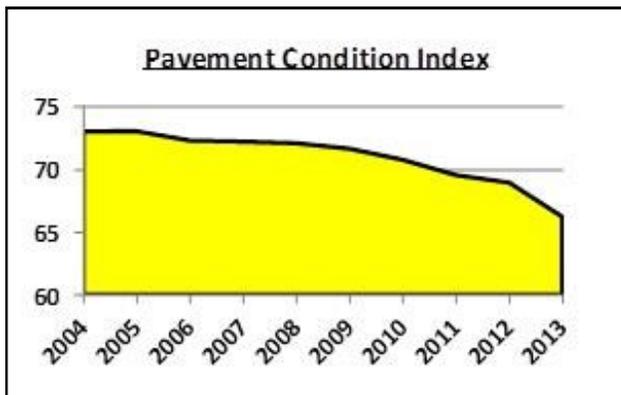
The fund was stabilized once again in 2012, with funding derived from service reductions in street maintenance, neighborhood cleanups, and Century II improvements approved as a package deal to increase General Fund support for 2012. Beginning in 2013, and continuing through 2016, Transit has been sustained by maximizing the use of federal grant dollars. However, this is problematic for two reasons: the amount of federal dollars being spent is greater than annual apportionments (the carry-forward balance is expected to be exhausted in 2016) and diverting all federal funds for operations is leading to deferred capital replacement. In addition, federal Congestion Mitigation and Air Quality (CMAQ) funds have been used to maintain routes, but this funding (approximately \$800,000 annually) is only available for three years, and will expire in 2017.

With the continued deferral of capital replacement, the depletion of federal fund balances, and a one-time infusion in 2015 of an additional \$250,000 in City funding, the Transit Fund should be solvent into 2016. However, based on current projections, significant service reductions will be required by 2017 at the latest.

## 3. Protecting Public Infrastructure

**Issue** - New innovative techniques to maintain the City's road network will produce improved results. This program will continue, ensuring the most effective use of funding allocations.

Wichita's public street network is vital to the local economy and quality of life. The condition of streets affects nearly every citizen, nearly every day. Proper maintenance is essential to protect past capital investment and ensure public safety. Over the last 10 years, local pavement condition has declined by nearly 10%, as measured by the Pavement Conditions Index (PCI). Residents have noted through the ACT-ICT and Community Survey engagement processes that pavement condition is a priority.



In 2012, staff developed a new model to determine the impact of street treatment options. This model focuses on maximizing the return on investment (ROI) of each treatment option. This method attempts to match the timing and method of treatments with the projected remaining service life (RSL) and value of the street network to ensure treatments maximize Wichita's ROI.

The City's new pavement maintenance program was validated by a professional, third-party review. While any significant improvement in street conditions would require additional funding, at current funding levels, this new strategy is expected to maintain the current value of the street network into the long-term future. Projections assume that continued use of the former applications would have resulted in significant and continued deterioration of the street network.

From a low of \$4 million in 2011, annual support for contract street maintenance has gradually increased to \$8 million. Pilot efforts resulted in lower than authorized spending in 2013, and \$1 million is planned to be moved from 2013 to 2015 in the CIP. Staff have set \$10 million as an annual goal by 2018, depending on the ability to re-prioritize future CIP spending.



## 4. Snow and Ice Removal Program

**Issue** - Significant winter storms in 2013 and 2014 have stressed snow removal budgets and City operations. The Adopted Budget includes additional funding and recommends the use of contractors to supplement City crews.

Snow and ice removal program efforts are necessary to maintain a safe and dependable transportation system during winter weather events. When this occurs, staff from multiple Public Works & Utilities divisions are activated. The City operates a snow plow fleet of 50 vehicles, and crews work around the clock in two shifts from three locations to accomplish the mission.



more than the 2014 Adopted Budget. In subsequent years, the snow removal budget in Public Works & Utilities is set closer to historical levels. However, to ensure expenditure authority is available if heavy winter weather occurs, the 2015 Adopted Budget includes a \$750,000 contingency for snow and ice removal. Although excessive snow removal costs could eventually require the shift of savings from other budget areas, this contingency will ensure resources are available immediately for snow removal costs and materials purchases.

In the last two years, City resources have been strained by numerous and successive heavy winter weather events. To provide additional snow removal capacity, but to avoid capital costs for a seasonal and unpredictable need, staff will explore supplementing the existing fleet with private contractors, as needed. The Budget includes an additional \$100,000 annually for contracted snow removal.

To fund costs incurred to date, as well as anticipated expenditures during remaining winter months in 2014, the 2014 Revised Budget includes recommended funding of \$1.6 million, or over \$1 million

SNOW & ICE EXPENDITURES		
YEAR	EXPENDITURES	BUDGET
2008	691,864	419,830
2009	539,195	419,830
2010	484,807	296,302
2011	538,472	536,984
2012	185,495	546,925
2013	1,126,655	562,364
2014	1,417,230*	1,644,261
2015		1,385,270
2016		1,385,931

\*2014 Expenditures are through June 30, 2014.

## 5. Community Policing - Homelessness Outreach Team (HOT)

**Issue** - The successful Homelessness Outreach Team (HOT) of Wichita Police Officers is an innovative effort to assist the homeless, that will be permanently integrated into community policing.

In 2013, the Wichita Police Department created the Homelessness Outreach Team (HOT) and started a pilot project to address instances of homelessness with non-traditional policing methods. Wichita's HOT pilot was modeled after an award-winning program in Colorado Springs, Colorado. The HOT pilot connected the homeless with community services, helped update relevant local ordinances, and placed 128 individuals in permanent or transitional housing through Housing First, a cooperative City-County effort to permanently house the chronically homeless. In addition, the pilot has provided alternatives to jail for select offenses, such as loitering and criminal trespass.

Beginning in the 2014 Revised Budget, the HOT program will be made a permanent City strategy to reduce both chronic and transitional homelessness. During the pilot period, three Community Police Officers were reallocated from normal patrol and policing duties to accomplish pilot goals. In the future, existing resources and work responsibilities will be reallocated to allow for the permanent reassignment of commissioned officers and provide ongoing support to pay for vehicles and other support costs of the HOT program.

## 6. Enhanced Coordination of City Marketing Efforts

**Issue** - The Adopted Budget includes enhanced coordination of City Marketing efforts. These efforts will focus on improved brand awareness and standardization, more effective use of social media, and coordination with IT in developing an improved City website and mobile applications.

In the past, City marketing efforts have been disjointed, with a lack of coordination between departments. In 2013, staff began a process to enhance marketing efforts, to better reach residents regarding City services. Earlier in 2014, a Marketing Communications Audit was conducted, which included key recommendations. The City Manager also formed an internal marketing committee to explore opportunities to improve coordination among departments, including resource pooling and means to ensure consistent messaging.

Efforts in 2014 will focus on improvement in the City's brand architecture and logo usage. Inconsistent usage of the City brand and logo has caused confusion and a lack of a simple standardized message. In addition, opportunities to improve the City's website have been identified, to make it less confusing and more customer friendly. Social media has proven to be an effective channel to reach citizens. Staff will continue to enhance efforts in this area.

With these improvements in place, interdepartmental coordination in marketing will be enhanced. This began in 2014 with the creation of the Marketing Committee. This committee will recommend marketing strategies and funding allocations beginning in 2015. These strategies, using the improved brand architecture, City website and potential new apps, will focus on enhanced awareness of City services, as well as marketing specifically for City revenue generating programs.

Expected outcomes of this effort will be improved citizen satisfaction and awareness of City services, enhanced customer service through the use of the City website, social media and apps, and improved revenue generation by City programs. To coordinate this effort, and ensure successful implementation, the Adopted Budget includes a new Strategic Communications Director position in the City Manager's Office and a modest increase in contractual support for social media consultants and graphic design support.

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## 7. Technology to Interface with Citizens

**Issue** - Technology improvements provide new and innovative ways to interface with the public, but realizing the full benefits of such opportunities takes time. Staff efforts are guided by both community feedback and operational needs.

Cities are finding new and innovative ways to interface with the public. Technology improvements often spur change. For example, improvements in smartphone technology make it possible to pay bills online, report community nuisances, and provide complaints through web applications in some communities. Wichita is seeking to modernize and improve its interface alternatives for the public. Unified marketing and consistent messaging across interface mediums, such as the City's website, [www.wichita.gov](http://www.wichita.gov), social media, and web applications, will be critical going forward.

**ACT-ICT Instant Polling Technology:** ACT-ICT was a successful community engagement process that included 102 meetings with more than 2,000 citizen participants. At these meetings, City facilitators led participants through exercises to establish community priorities and funding preferences. Through the use of instant polling technology, staff were able to immediately reveal group responses, allowing for robust dialogue. Staff continue to investigate ways in which to enhance the public meeting experience.

**Mobile Applications:** The City of Wichita has one mobile app, *Wichita Report*, which is available on iTunes and Google Play. *Wichita Report* is a tool that enables the public to improve neighborhoods by reporting issues such as potholes and illegal dumping. Based on community feedback, staff will review opportunities for citizen reporting, schedule and registration review, library services, utility payments, and other City services.

**Website Update:** Wichita is in the process of updating its website. Like with mobile apps, community feedback is instrumental in determining how potential changes and improvements are prioritized. Staff will seek opportunities to enhance the functionality of the website and make it easier to search website content. Enhanced reporting, schedule and registration options, and bill payment processes will also be pursued as the City updates its website and as various City systems, such as the utility payment system, are replaced. Constant effort will be given to maintain a modern and user-friendly website.



## 8. Citizen and Staff Engagement in the Budget Process

**Issue** - Enhancing citizen engagement and input is an important priority for the City Council.

Engagement is an essential component of the budget development process. This important priority takes many forms, seeking to involve citizens and employees at all levels.

The Ad Hoc Budget Committee is comprised of two employees from each department. This year, committee efforts focused on improvement to both internal and external engagement. The committee recommended more extensive use of electronic channels to communicate with residents, including short educational videos on financial topics, enhanced use of City7, and a continuation, and possible expansion, of the successful social media town hall event platform. Internal engagement recommendations include increased training for line staff on budgetary issues and processes, as well as continued organizational and cultural transformation with respect to innovation.

Traditional meetings continue to be an important element of the engagement process. Staff conducted neighborhood budget meetings in each City Council district. These meetings covered budget topics, as well as the City Council's Strategic Plan. Ideas were recorded and tabulated with the assistance of staff from the Hugo Wall School of Public Affairs at Wichita State University. Staff also conducted a variety of other budget meetings with other community groups.

Social media is an increasingly important component of budget development. Building on last year's efforts, staff coordinated two social media town halls in 2014, on May 21 and June 18. A variety of issues were presented for feedback. In addition, staff responded to any citizen questions or concerns. Last year's initial efforts

resulted in over 65,000 page views, nearly 1,000 likes, and over 670 comments. This year, results were even better, with 211,000 page views, 1,176 likes and 740 comments. Social media has proven to be a very effective way to reach residents, answer questions, receive feedback and record concerns.



Accompanied by Mayor Brewer, staff answer questions and receive feedback at the May 21st Social Media Town Hall.

Collaboration with employee bargaining units occurs continuously through the Labor/Management Committee. However, more extensive collaboration is often necessary on specific issues. For example, past privatization efforts have led to staff dialogue, specifically with SEIU representatives. During development of the 2015 Adopted Budget, the City met with IAFF representatives to develop a solution to minimize workers' compensation injuries, time off work, and overtime costs. This led to the addition of a Division Chief to manage safety and training programs for the Fire Department.

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## 9. Metropolitan Area Building and Construction Department

**Issue** - The Metropolitan Area Building and Construction Department merger has already resulted in efficiencies for the construction industry. Future steps include a consolidated location and transitioning software systems to the County.

In 2013, the City and County began efforts to merge building and construction inspection and permitting efforts into the new Metropolitan Area Building and Construction Department (MABCD). The first step in the merger was consolidation of all permitting and inspection activity on one software platform. In 2013, more milestones were met: crafting a combined staffing chart, standardization of job duties and descriptions between Sedgwick County and existing City of Wichita staff, and hiring staff.

A priority in 2014 is to co-locate all staff in one building. Moving all staff to one office will result in further administrative efficiencies, as well as improved customer service for the construction industry.

One stipulation of the merger was that staff pensions would not be jeopardized, so the City budget continues to include remaining City staff. As City of Wichita staff leave service or retire, replacement staff will be transitioned to the Sedgwick County budget. Eventually, all staff will be Sedgwick County employees.

In addition, financial transactions are currently processed by the City, since the inspection software resides in the City's IT Department. The MABCD Fund is required until the license for the Hansen software system is transitioned to the new entity, as a result.



## 10. Performance Measurement

**Issue** - The City's Performance Measurement program demonstrates the outcomes of services, many of which perform at levels exceeding benchmarks and targets. Performance Measurement is fully integrated into the budget process and is an important component of the City's citizen engagement efforts.

Performance management plays a key role in the development of the annual budget. Departments prepare Strategic Operating Plans with strategies designed to influence performance measures. The City Manager's Adopted Budget is built around allocating resources in strategically important areas to produce performance at targeted levels. Performance measures are reported to the City Council each June in a *Key Performance Measures Report* workshop presentation. A more comprehensive *Performance Measures Report* is also published annually and is available on the City's website. Each departmental budget presentation included in this budget also includes relevant measures and their linkage to the City's strategic planning process.

Benchmarking continues to be the key element of the City of Wichita's performance measurement program. In addition, the City of Wichita now benchmarks against citizen survey data. The National Citizen Survey (NCS) was fielded in 2006, 2010, and 2012. These three points in time, as well as comparisons to peers, provide a comprehensive understanding of citizen perceptions of typical government services, such as street maintenance, library services, and animal control. In many cases, the City of Wichita performs better than benchmarks for service delivery, but citizen

perceptions lag peers. It is critical that citizen perceptions more appropriately match actual performance levels provided by the City.

The Office of Community Engagement plays an important role in the exchange of information between citizens and government. In addition, the Communications Team's efforts are being enhanced to accurately demonstrate the performance levels provided by the City. An outgrowth of this strategy is the "*Serving You, In Many Ways, Every Day*" public information campaign. The purpose of the campaign is to tell the City of Wichita's story through examples of excellent service. Short stories are published in multiple mediums, such as Facebook, press releases, [www.wichita.gov](http://www.wichita.gov), and City Channel 7, in an effort to give accounts of how employees work for the citizens of Wichita each day.

Performance measures are integral to the City's financial and operational management. The City is proud to have been recognized with "special recognition" for performance measures as part of the GFOA Distinguished Budget Presentation Award program. In addition, the City has been recognized with the ICMA-CPM Certificate of Achievement for performance measure efforts.

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## 11. Outsourcing

**Issue** - The 2015 Adopted Budget continues to explore opportunities to outsource City services.

Staff continue to explore opportunities to reduce the cost of providing City services, while maintaining performance outcomes. Privatization is often beneficial for services with high fixed costs and variable output levels. In addition, there are some functions that the private sector performs more routinely and often more efficiently than the City.

In 2010, Wichita outsourced park mowing. This decision has saved \$1 million annually and reduced costs by converting fixed costs into variable costs. The 2015 Budget includes privatization of the security screener function at City Hall. Outsourcing this work could save as much as \$60,000 annually. The City will complete a Request for Proposals (RFP) process and proceed with privatization in 2015 if favorable responses are received. The 2015 Budget also includes outsourcing the intergovernmental relations function. This service has been provided in the past both by City staff and private contractors. The current budget plans for this service to be outsourced in mid-2015.

In the last two years, City resources have been strained by numerous and successive heavy winter weather events. To provide addi-

tional snow removal capacity, but to avoid capital costs to purchase additional trucks for a seasonal and unpredictable need, staff will explore supplementing the existing fleet with private contractors as needed. The Budget includes an additional \$100,000 annually for contracted snow removal.

In addition to contract street maintenance, City crews are also maintained for crack sealing and a variety of other maintenance functions. Some of these functions might be performed by contractors at a lower cost, while maintaining performance outcomes. The City will also complete a Request for Proposal (RFP) process for certain street maintenance activities. The City will proceed based upon the responses to the RFP.

An additional \$250,000 is included in the 2014 Revised Budget to pay contractors to remove drought-stricken trees, which will reduce the backlog of trees that need to be removed by the Park and Recreation Department. Additional outsourcing opportunities will be pursued by the City during the planning period as they are identified.



## 12. Impacts of Capital Projects on the Operating Budget

**Issue** - Capital projects can significantly impact operating costs and should be considered when developing operating budgets.

The City of Wichita's operating budget is directly affected by the Capital Improvement Program (CIP). CIP projects often impact operating costs. CIP investments in technology or significant improvements to existing maintenance-intensive assets can reduce operating costs. However, new facilities and land acquisitions typically increase operating costs.

Operating costs are carefully considered in deciding which projects move forward from the CIP. Although it may be possible to pay the capital costs of a project that increases labor demands, it is typically impossible to absorb multiple large increases in operating costs all at once. Therefore, projects are programmed to prevent shocks to the operating budget.

**Airport Terminal and Parking Garage:** The new Wichita Dwight D. Eisenhower National Airport Terminal and Parking Garage are anticipated to open in early 2015. Although the new airport terminal will be the same approximate size as its predecessor in terms of square footage, it will handle additional passengers more efficiently with new amenities and equipment. Operations and maintenance

needs will increase, requiring 13 additional positions from 2014-2017 and increases in the operating budget of \$989,000 in 2015 and \$1,035,000 in 2016. Other Airport projects are included in the Adopted CIP, which may impact future operating budgets.

**Bicycle Infrastructure Maintenance:** Numerous City divisions are involved with pathway and bike lane maintenance, including, but not limited to, Park Maintenance, Street Cleaning, and Street Maintenance. The Wichita Bicycle and Pedestrian Advisory Board advises the City Council and City staff on issues related to bicycling and walking, and plays an important role in implementing the Bicycle Master Plan. In addition to other policy considerations, the Advisory Board is considering recommending operating budget allocations for maintenance as new bicycle and pedestrian pathway amenities are completed and put into use.

**Other New Facilities:** The Adopted CIP includes construction of a Central Library, Heartland Readiness Center, and police substations. Each of these projects have budget impacts that will be considered in developing future operating budgets.

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## 13. Network Security

**Issue** - Given enough time, knowledge, and computing power, any network is vulnerable. The Adopted Budget includes funding for a five-year network security plan to prevent future attacks and breaches.

As the City of Wichita implements more technology-based solutions for interfacing with citizens, customers, and vendors, network security becomes increasingly important. At the same time, threats are increasing, which was clear following a data breach in October 2013. Following the breach, the Information Technology Department audited current security layers and has developed a five-year security plan. The Budget includes expenses associated with the first three years of implementation.

A layered approach to IT security is based on the reality that any single security device will have limits to its defensive capabilities. The layered security approach mitigates this risk by implementing several layers comprised of different security systems, filling in the gaps between technologies. This creates several types of security measures, each protecting against a different kind of threat.

Implementation of the five-year plan will result in improved layers and segmentation of security for the City of Wichita network. The first year of the five-year plan includes installing new systems and additional training. In the second year, additional security devices and schedules, as well as new security information and management systems will be implemented. Third year implementation activities include additional review of internet based networks and adding various server capabilities.

Since threats to network security are constantly changing, the Information Technology Department plans to update the five-year plan each year. As a reflection of the importance of network security to the organization's operations, a position is added in the 2014 Revised Budget to coordinate this effort.



## 14. Funding Cultural Arts

**Issue** - The Adopted Budget includes funding for Cultural Arts in accordance with the Cultural Plan Update that was approved in July 2013. New three-year operating agreements are being finalized with institutions, and cultural funding grant recommendations have been made for 2015.

The City of Wichita has long supported cultural arts. In 2004, the City Council established the Arts Task Force to study funding support for the arts and to make recommendations. This led to the 2006 adoption of Resolution 06-208, which established the policy of providing cultural funding approximating one mill each year.



The Cultural Funding Committee has recommended allocations for the Cultural Funding Grant amounts. Once approved by the City Council, they will be itemized in the City budget. The 2015 Adopted Budget includes funding for the cultural institutions based on operating agreement.

In 2008, the City's Cultural Arts Plan was updated and identified "Group One" organizations (including Botanica, Wichita Art Museum, Wichita Historical Museum, Old Cowtown Museum and Mid-America All Indian Center). In 2010, the City entered into five-year operating agreements with four of the five Group One organizations. The agreements establish performance expectations for each organization and provide the organizations with stability through anticipated City support, to enhance strategic planning. Additional arts support was provided through a Cultural Funding Operational Grant program, in which an eleven-member committee reviewed applications and recommended funding support.



CULTURAL FUNDING		
YEAR	2015	2016
CityArts	702,128	709,393
Cowtown	836,057	845,085
Mid-America All Indian Center	172,654	173,472
Wichita Art Museum	1,702,100	1,702,100
Historical Museum	155,609	155,609
Aviation Museum	31,956	31,956
Museum of World Treasures	22,105	22,105
Cultural Funding Grants	399,694	399,694
Building Insurance	89,436	89,436
Reserve	25,187	120,559
<b>TOTAL</b>	<b>\$4,136,926</b>	<b>\$4,249,409</b>
Estimated Mill Equivalent	1.31	1.31

In anticipation of the expiration of the five-year funding agreements in 2014, a committee of staff, arts representatives, and City Council members was formed. The purpose of the Committee was to review current policies and procedures for operating agreements and the continuation of funding. On July 9, 2013, the City Council approved modifications to the Cultural Funding Plan, including shifting Botanica from the funding pool to the Park and Recreation Department (and not requiring an operating agreement), providing Cultural Institutional Grants to arts organizations with specific ties to the City of Wichita, and providing a Cultural Funding Grant program for other entities. In addition, the Council re-affirmed support for a dedicated level of funding for the arts.

The recommended amounts compare to expenditures of \$3,915,335 in 2013, or the equivalent of 1.26 mills, and \$4,067,693 in the 2014 Revised Budget, or the equivalent of 1.30 mills. Total Cultural Arts spending of \$8,945,459 is included in the 2015 Adopted Budget, including Century II administrative expenditures and maintenance costs.



Consistent with Council direction, the 2015 Adopted Budget includes a total of \$4,136,926, or the estimated equivalent of 1.31 mills for arts funding. This includes \$3,622,609 for Cultural Institutional Grants, and \$399,694 for Cultural Funding Grants, and \$114,623 for building insurance and reserves.





## 15. Fire Training Adjustments & Emergency Response Model Review

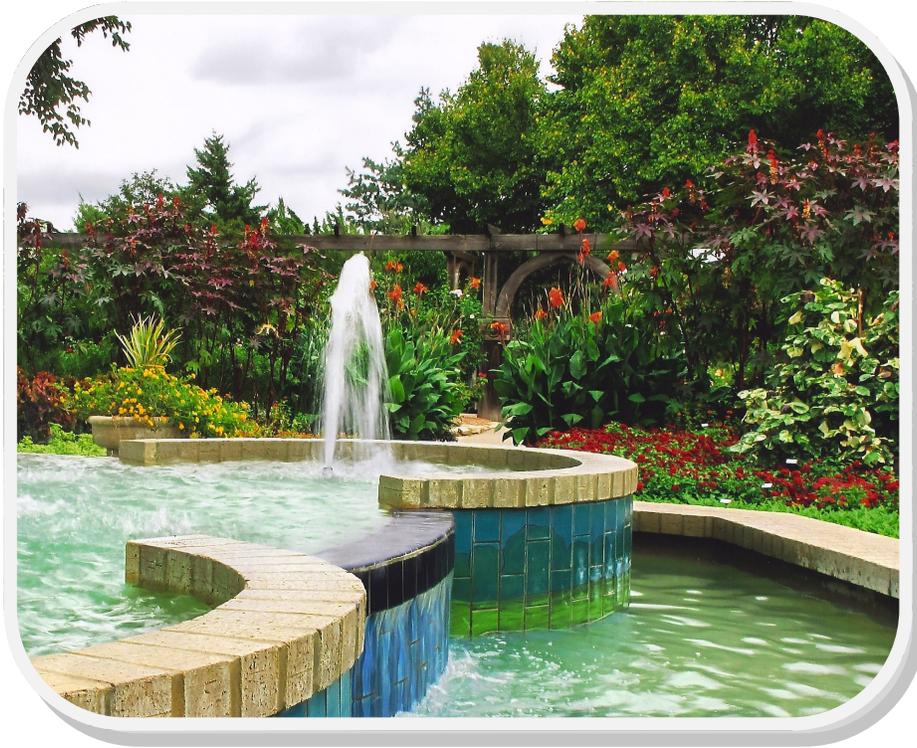
**Issue** - The 2015 Adopted Budget adds a Fire Division Chief to enhance safety and training. The 2016 Approved Budget forecasts at least \$175,000 in savings from coordinated changes in the emergency response model.

The 2015 Adopted Budget includes a new Fire Division Chief position to oversee safety and training efforts for the Wichita Fire Department. The proposal is the result of a collaborative effort between a team of City staff, as well as firefighters and IAFF representatives. The recommended position will help reduce workplace injuries and absences and consequently lower operating costs, such as overtime. In addition, the 2016 Approved Budget includes \$175,000 in anticipated savings from a strategic assessment of responses to medical calls, in coordination with Wichita-Sedgwick County Emergency Medical Services Systems (EMSS).

**New Position:** The Wichita Fire Department operates around the clock. Three 24-hour work shifts - Shifts A, B, and C - continually respond to fire and medical emergencies, as well as other non-emergency service calls. Fire and life safety services are accomplished through prevention, education, and protection activities, including, but not limited to, community risk reduction programs, code administration activities, fire investigation, and call response.

Responders must be properly trained, equipped, and deployed. Activities must be safely performed, properly recorded, and continually evaluated for efficiency and effectiveness. Once evaluated, new strategies for improvement are developed and implemented. Addition of the Fire Division Chief will establish a single position with the responsibility to coordinate consistent and effective safety and training programs and strategies across all three shifts in order to reduce overtime, work absences, and ensure a safer work environment and community.

**Strategic Assessment:** The Wichita Fire Department operates within a broader emergency response system in Sedgwick County. Fire response is very important, but most calls are medical alarms. There may be possible strategies to enhance integration among EMSS components (Fire District, County EMS, and the Wichita Fire Department). This could produce better responsiveness and service to citizens, concurrently with lower system-wide costs. Savings of \$175,000 are estimated and included in the 2016 Approved Budget.



*Botanica, the Wichita Gardens, was opened to the public in May 1987 as a partnership between the City of Wichita and the Wichita Area Garden Council. Since its opening with four gardens and a horticultural library, Botanica has added 26 additional themed gardens and exhibits. The Margie Button Memorial Fountain and Garden, pictured above, was dedicated in May 1987. New additions to Botanica in 2014 include an event center and the Chinese Garden of Friendship.*

**Calculating the City Mill Levy Requirement.** A mill is \$1 of tax for every \$1,000 of assessed value on real and personal property. The mill levy is recalculated every year and is based on the tax dollars needed for financing the City budget.

First, the City (the taxing district) arrives at a total amount for expenditures in the taxing funds. In Wichita these funds are the General Fund and the Debt Service Fund. After expenditure totals are known, all other revenue sources (non-property taxes and fees) are subtracted. The remainder is the amount to be raised from ad valorem (property) taxes.

Tax Rates for the 2015 Budget Year (Based on Estimated 2014 Values)		
Assessed Valuation: \$3,162,083,144		
	TAXES TO BE LEVIED (Including Delinquencies)	MILL LEVY
General Fund	\$75,918,454	24.009
Debt Service Fund	\$26,877,707	8.500
<b>Total</b>	<b>\$102,796,161</b>	<b>32.509</b>

A City residential property owner will pay taxes to support the City budget, based on the market value of the owner's property, times the assessment ratio (11.5% for residential property), times the tax levy rate (mills divided by 1,000), as illustrated in the three examples to the right. Rates for other properties are: commercial, 25%; real property used by nonprofits, 12%; public utility, 33%; vacant lots, 12%; agricultural use, 30%; all others, 30%.

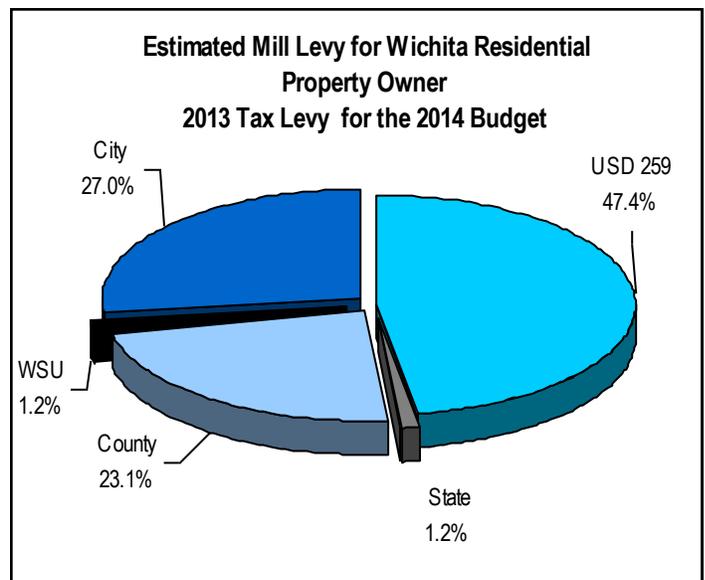
MARKET VALUE	X	ASSESSMENT RATIO	X	CITY TAX LEVY RATE	=	ESTIMATED CITY TAXES
\$100,000	X	11.5%	X	0.032509	=	\$374
\$150,000	X	11.5%	X	0.032509	=	\$561
\$200,000	X	11.5%	X	0.032509	=	\$748

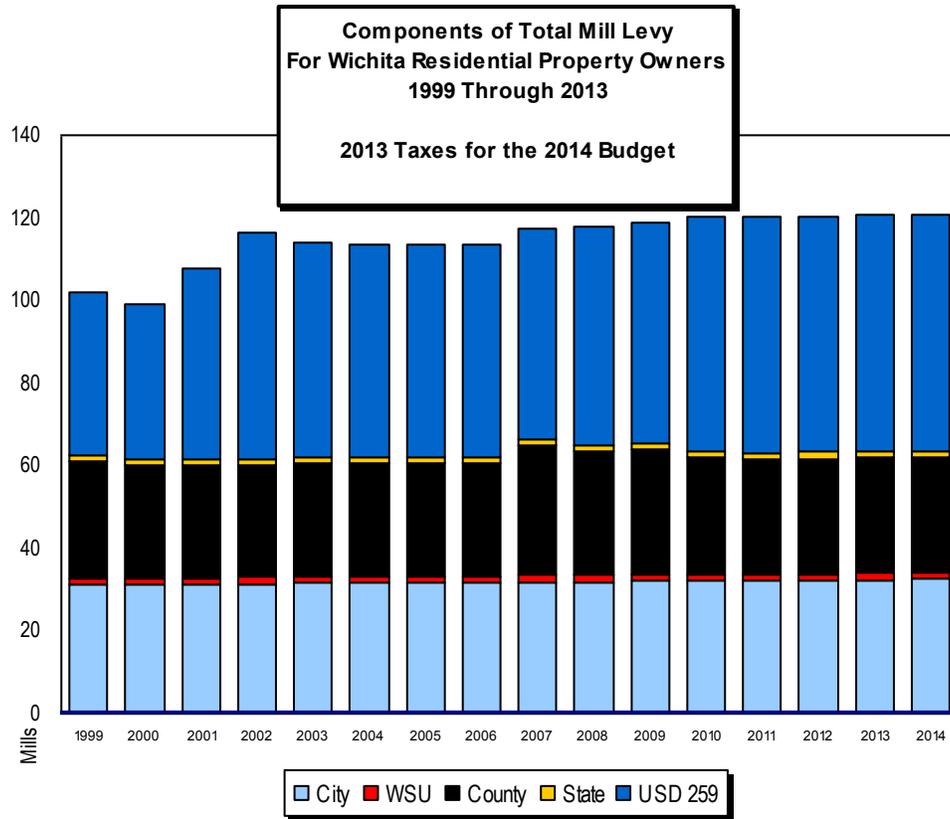
*The assessed value is the market value times the classification rate. For example, the assessed value of a \$150,000 home (for purposes of taxation) is \$150,000 times 11.5%, or \$17,250.*

TAXING DISTRICT	TAX LEVY RATE	PERCENT OF TOTAL
City of Wichita	32.509	27.0%
Sedgwick County*	27.877	23.1%
WSU*	1.500	1.2%
U.S.D. 259*	57.215	47.4%
State*	1.500	1.2%
<b>Total</b>	<b>120.601</b>	<b>100.0%</b>

\* Levies for other jurisdictions are estimated based on the 2013 tax year levy.

The tax levy rate is calculated by dividing the total revenue to be obtained from property taxes by the total assessed value for the taxing district. The table above shows the estimated 2013 tax year rates (based on preliminary assessed valuation estimates), which are used to finance the 2014 budget.

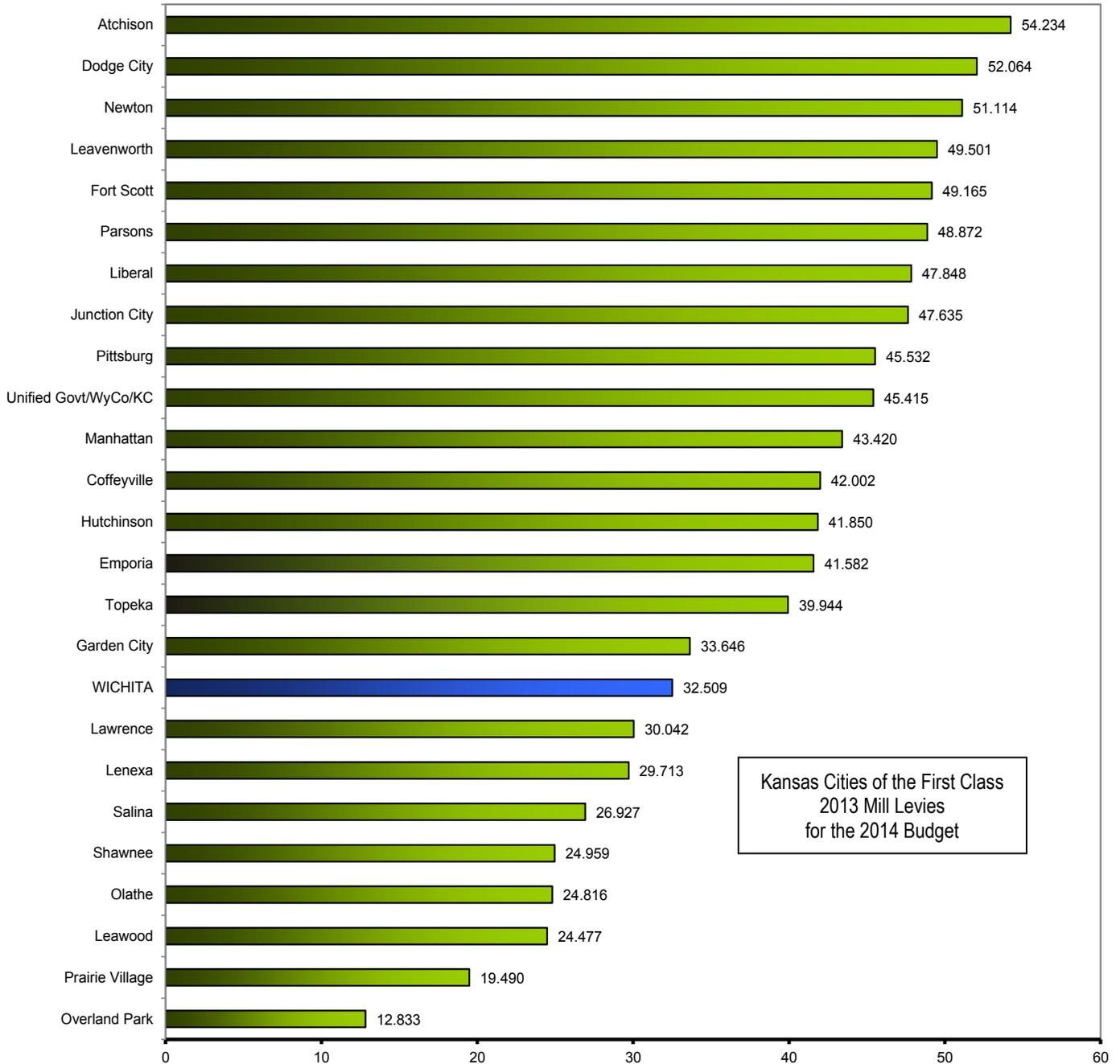




COMPONENTS OF THE TOTAL MILL LEVY FOR WICHITA RESIDENTIAL PROPERTY OWNER - 1999 THROUGH 2014 2013 TAXES FOR THE 2014 BUDGET						
BUDGET YEAR	CITY	COUNTY	WSU	STATE	USD 259	TOTAL
1999	31.253	28.138	1.500	1.500	39.636	100.027
2000	31.406	27.199	1.500	1.500	37.526	99.131
2001	31.359	27.057	1.543	1.500	46.163	107.622
2002	31.474	27.154	1.500	1.500	54.926	116.554
2003	31.845	27.276	1.500	1.500	51.839	113.960
2004	31.905	27.322	1.500	1.500	51.408	113.630
2005	31.828	27.263	1.500	1.500	51.296	113.387
2006	31.898	27.258	1.500	1.500	51.300	113.456
2007	31.953	29.815	1.500	1.500	51.296	116.064
2008	31.979	29.833	1.500	1.500	53.238	117.050
2009	32.056	28.877	1.500	1.500	53.309	117.242
2010	32.142	28.368	1.500	1.500	56.850	120.360
2011	32.272	27.857	1.502	1.500	56.928	120.059
2012	32.359	27.928	1.500	1.500	57.018	120.305
2013	32.471	27.947	1.500	1.500	57.184	120.602
2014	32.509	27.877	1.500	1.500	57.215	120.601



Wichita has a lower mill levy than sixteen of the twenty-five Kansas cities of the first class. The eight cities with a lower mill levy than that of Wichita all impose a local city sales tax in addition to the local county sales tax.



Kansas Cities of the First Class  
2013 Mill Levies  
for the 2014 Budget

Source: 2013 Kansas League of Municipalities Kansas  
Tax Rate & Fiscal Data Book



CITY	POPULATION	CITY LEVY	FIRE LEVY	COMBINED LEVY
Andale	964	46.893	18.348	65.241
Andover	12,099	38.519	0	38.519
Argonia	499	56.373	0	56.373
Augusta	9,217	41.782	0	41.782
Bel Aire	6,838	45.695	18.348	64.043
Belle Plaine	1,640	68.9	3.999	72.899
Bentley	528	49.225	18.348	67.573
Benton	873	55.633	4.419	60.052
Burrton	900	62.495	5.475	67.97
Caldwell	1,043	73.795	0	73.795
Cassoday	128	16.417	3.595	20.012
Cheney	2,120	57.808	0	57.808
Clearwater	2,489	49.873	0	49.873
Colwich	1,334	41.988	0	41.988
Conway Springs	1,248	69.798	0	69.798
Cunningham	476	71.62	0	71.62
Derby	22,943	47.054	0	47.054
Douglass	1,703	54.723	10.163	64.886
Eastborough	773	64.597	0	64.597
Elbing	227	47.237	0	47.237
El Dorado	12,900	22.545	5.478	28.023
Garden Plain	862	49.058	18.348	67.406
Geuda Springs	184	35.785	6.658	42.443
Goddard	4,532	33.057	18.348	51.405
Halstead	2,092	70.025	0	70.025
Haysville	10,951	48.672	18.348	67.02
Hesston	3,742	33.73	0	33.73
Hunnewell	66	26.85	0	26.85
Kechi	1,958	33.706	18.348	52.054

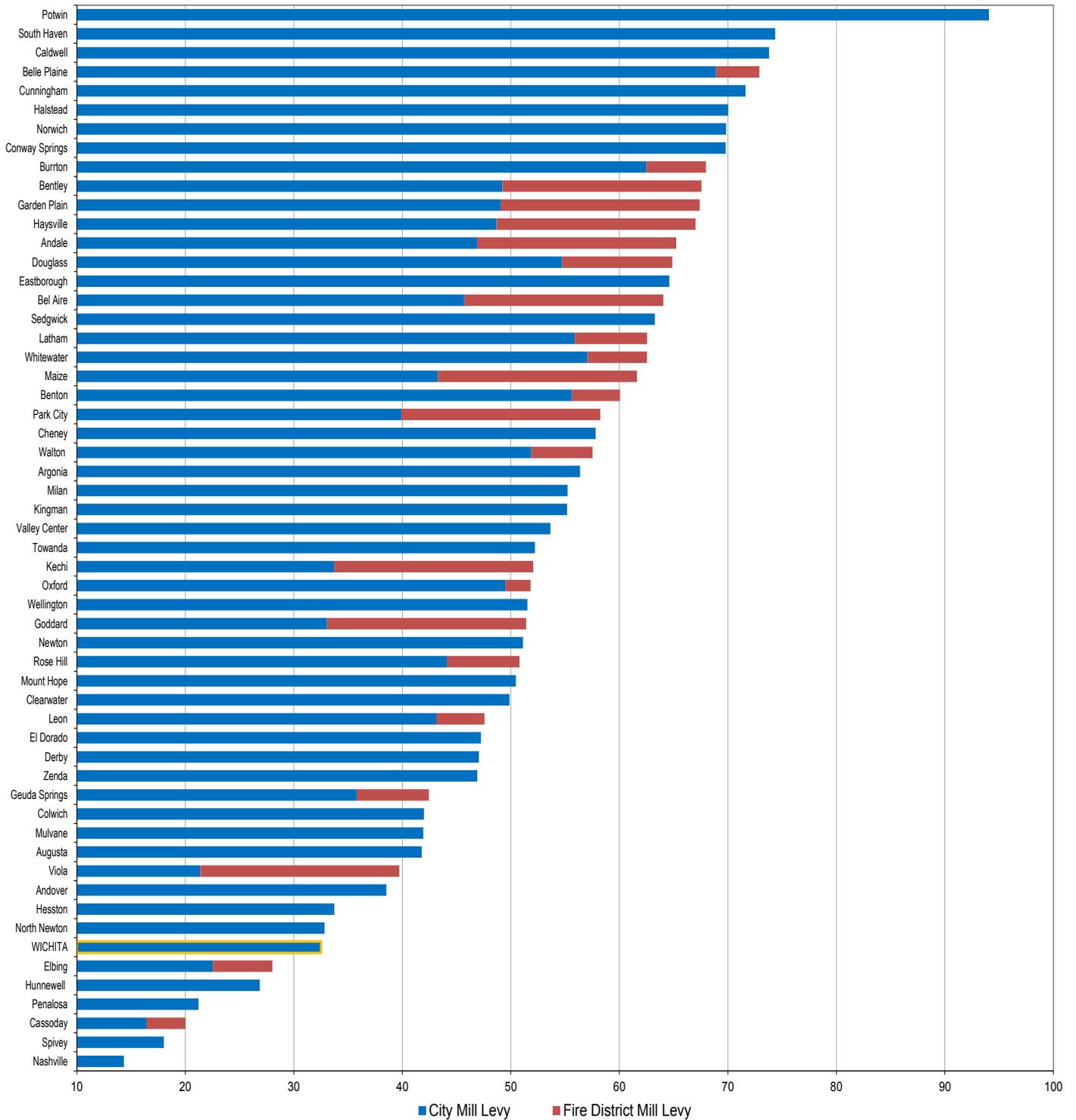
CITY	POPULATION	CITY LEVY	FIRE LEVY	COMBINED LEVY
Kingman	3,169	55.18	0	55.18
Latham	138	55.869	6.688	62.557
Leon	698	43.151	4.412	47.563
Maize	3,708	43.27	18.348	61.618
Milan	81	55.217	0	55.217
Mount Hope	817	50.46	0	50.46
Mulvane	6,267	41.923	0	41.923
Nashville	64	14.33	0	14.33
Newton	19,189	51.114	0	51.114
North Newton	1,779	32.832	0	32.832
Norwich	490	69.83	0	69.83
Oxford	1,027	49.513	2.308	51.821
Park City	7,446	39.89	18.348	58.238
Penalosa	17	21.21	0	21.21
Potwin	441	94.055	0	94.055
Rose Hill	3,932	44.121	6.668	50.789
Sedgwick	1,701	63.272	0	63.272
South Haven	357	74.367	0	74.367
Spivey	78	18.01	0	18.01
Towanda	1,438	52.218	0	52.218
Valley Center	6,965	53.63	0	53.63
Viola	131	21.36	18.348	39.708
Walton	238	51.877	5.642	57.519
Wellington	7,997	51.526	0	51.526
Whitewater	713	57.059	5.478	62.537
Zenda	90	46.9	0	46.9
<b>WICHITA</b>	<b>385,577</b>	<b>32.154</b>	<b>0.000</b>	<b>32.509</b>
<b>AVERAGE COMBINED CITY MILL LEVY</b>				<b>55.374</b>

Source: 2013 Kansas League of Municipalities Kansas Tax Rate & Fiscal Data Book

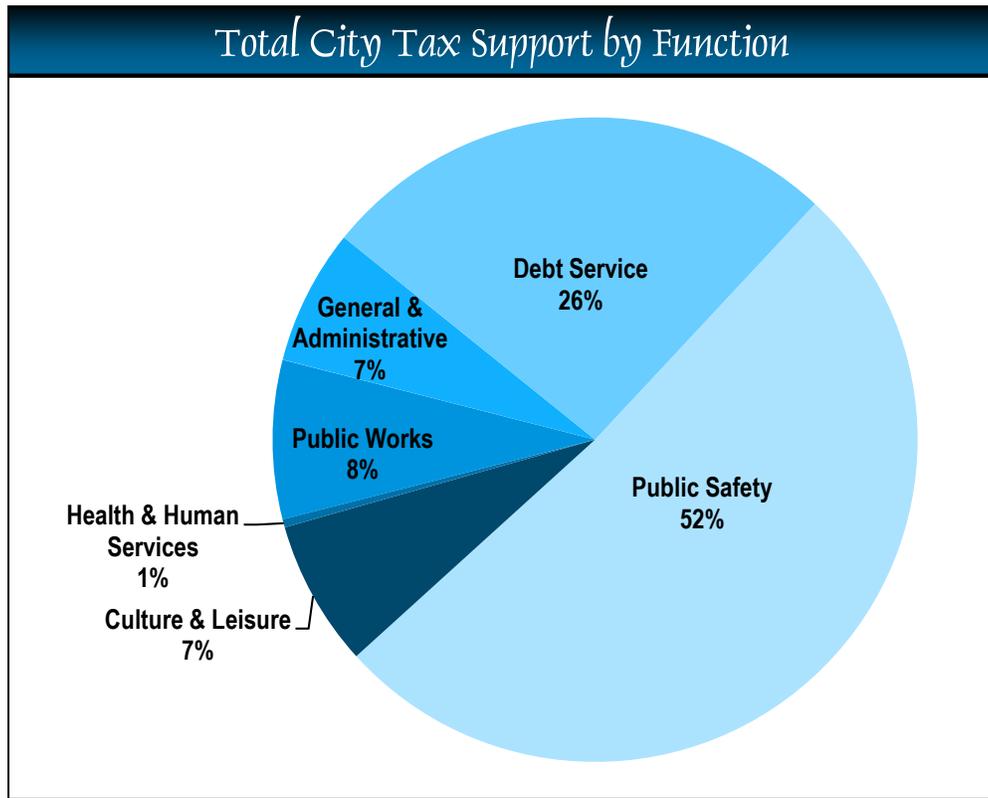
*First, Second, and Third Class Cities  
Wichita Metropolitan Statistical Area:  
Butler, Harvey, Kingman, Sedgwick, and Sumner Counties  
2013 Mill Levies for the 2014 Budget*



## Combined City Mill Levies, Including Fire District Levies Wichita Metropolitan Statistical Area 2013 Mill Levies for the 2014 Budget



Source: 2013 Kansas League of Municipalities  
Kansas Tax Rate & Fiscal Data Book



### 2015 Funding Sources for General Fund Budgets by Function

FUNDING SOURCE	PUBLIC SAFETY	PUBLIC WORKS / TRANSPORTATION	CULTURE AND RECREATION	HEALTH AND HUMAN SERVICES	ADMINISTRATION AND GENERAL	TOTAL
<b>Current property taxes:</b>						
Dollars (1000's)	\$ 49,189,158	\$ 7,647,146	\$ 7,039,020	\$ 390,123	\$ 6,517,513	\$ 70,782,961
Percent of budget	37%	19%	33%	40%	28%	32%
<b>Other general funding:</b>						
Dollars (1000's)	79,994,098	11,333,655	10,432,368	578,192	9,196,694	111,535,007
Percent of budget	60%	29%	49%	60%	39%	51%
<b>Department-generated:</b>						
Dollars (1000's)	3,537,517	20,497,067	3,902,800	-	4,542,360	32,479,744
Percent of budget	3%	52%	18%	0%	19%	15%
<b>Administrative charges:</b>						
Dollars (1000's)	0	0	0	0	3,374,497	3,374,497
Percent of budget	0%	0%	0%	0%	3%	2%
<b>TOTAL FUNDING</b>	<b>\$ 132,720,773</b>	<b>\$ 39,477,868</b>	<b>\$ 21,374,188</b>	<b>\$ 968,315</b>	<b>\$ 23,631,064</b>	<b>\$ 218,172,209</b>



The property tax subsidy is the amount left after all other revenue sources are allocated and subtracted. Other revenues include those directly generated by the department, administrative services provided to non-General Fund departments, and general sources (for example, franchise fees and local sales tax).

BY DEPARTMENT	2015 ADOPTED BUDGET		TAX SUPPORT	TAX SUPPORT	TAX SUPPORT
	PROPERTY TAX SUBSIDY	TOTAL PROPERTY TAX LEVIED (\$)*	BY OWNER OF HOME VALUED AT \$100,000	BY OWNER OF HOME VALUED AT \$150,000	BY OWNER OF HOME VALUED AT \$200,000
Police	30,042,230	32,221,875	\$117.19	\$175.78	\$234.37
Fire	16,636,440	17,843,459	\$64.89	\$97.34	\$129.79
Public Works & Flood Control	6,146,350	6,592,289	\$23.98	\$35.96	\$47.95
Park	3,653,430	3,918,500	\$14.25	\$21.38	\$28.50
Library	3,385,590	3,631,220	\$13.21	\$19.81	\$26.41
Municipal Court	2,002,150	2,147,407	\$7.81	\$11.71	\$15.62
Transit	1,500,790	1,609,678	\$5.85	\$8.78	\$11.71
Finance	1,546,870	1,659,098	\$6.03	\$9.05	\$12.07
City Manager	1,528,590	1,639,492	\$5.96	\$8.94	\$11.93
Law	508,340	545,223	\$1.98	\$2.97	\$3.97
Human Resources	460,210	493,597	\$1.80	\$2.69	\$3.59
Planning	298,270	319,915	\$1.16	\$1.75	\$2.33
Metro. Building and Construction	346,220	371,338	\$1.35	\$2.03	\$2.70
City Council	315,060	337,916	\$1.23	\$1.84	\$2.46
Non-departmental	2,412,420	2,587,447	\$9.41	\$14.12	\$18.82
<b>General Fund</b>	<b>\$70,782,960</b>	<b>\$75,918,454</b>	<b>\$276.10</b>	<b>\$414.16</b>	<b>\$552.21</b>
<b>Debt Service Fund</b>	<b>\$25,059,371</b>	<b>\$26,877,707</b>	<b>\$97.75</b>	<b>\$146.63</b>	<b>\$195.50</b>
<b>TOTAL CITY TAX BILL</b>	<b>\$95,842,331</b>	<b>\$102,796,161</b>	<b>\$373.85</b>	<b>\$560.78</b>	<b>\$747.71</b>
<b>BY FUNCTION</b>					
Public Safety	49,189,158	52,757,964	\$191.87	\$287.81	\$383.74
Public Works/Transportation	7,647,146	8,201,967	\$29.83	\$44.74	\$59.66
Culture and Recreation	7,039,020	7,549,720	\$27.46	\$41.19	\$54.91
Health and Human Services	390,123	418,427	\$1.52	\$2.28	\$3.04
Administration and General	6,517,513	6,990,376	\$25.42	\$38.13	\$50.85
<b>General Fund</b>	<b>\$70,782,960</b>	<b>\$75,918,454</b>	<b>\$276.10</b>	<b>\$414.16</b>	<b>\$552.21</b>
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\* The total levy includes a delinquency allowance of 6.8 percent. The City levy, expressed in mills, is estimated at 32.509 (General Fund and Debt Service Fund). It is based on an assessed valuation of \$3,162,083,144.



*Botanica, the Wichita Gardens, was opened to the public in May 1987 as a partnership between the City of Wichita and the Wichita Area Garden Council. Since its opening with four gardens and a horticultural library, Botanica has added 26 additional themed gardens and exhibits. The Downing Children's Garden, pictured above, was opened in 2011. New additions to Botanica in 2014 include an event center and the Chinese Garden of Friendship.*