

2017-2018 PROPOSED BUDGET DISCUSSION

District Advisory Boards

July 2016



2017-2018

Proposed
Budget

City of Wichita, Kansas | www.wichita.gov

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Main Points

- The Budget is balanced, with a flat mill levy rate and strong reserves
- Budget proposals will improve Police staffing; continue to improve street maintenance through pilot programs that are starting in 2016; and maintain Transit services through 2019

Main Points

- Long-term there are many challenges
- Engagement will be critical to future efforts and service reviews
- Focus on being excellent in what is important, and shedding what is less important to ensure financial stability

Social Media Town Hall

- Staff held this event on June 14th
- Metrics continue to climb: currently 194,509 page views; 1,254 reactions; and 667 comments
- Overall theme - more Police service, better streets, better outcomes in important areas

Social Media Town Hall

- Traffic signal timing - most feedback strongly supported changes and focused on specific locations
- Street sweeping - comments focused on quality issues and awareness of efforts
- Animal control - comments mostly about specific experiences

Social Media Town Hall

- Transit - comments reflected a wide variety of constructive feedback on a number of issues
- Library - feedback focused on hours of service and programming ideas
- Park Improvements - comments provided feedback on how to make our parks better

General Fund Summary

	2016 Revised	2017 Proposed	2018 Projected
Revenue	\$225.3	\$231.2	\$237.7
Expenditures	\$225.3	\$231.2	\$237.7
Surplus (Deficit)	\$0.0	\$0.0	\$0.0

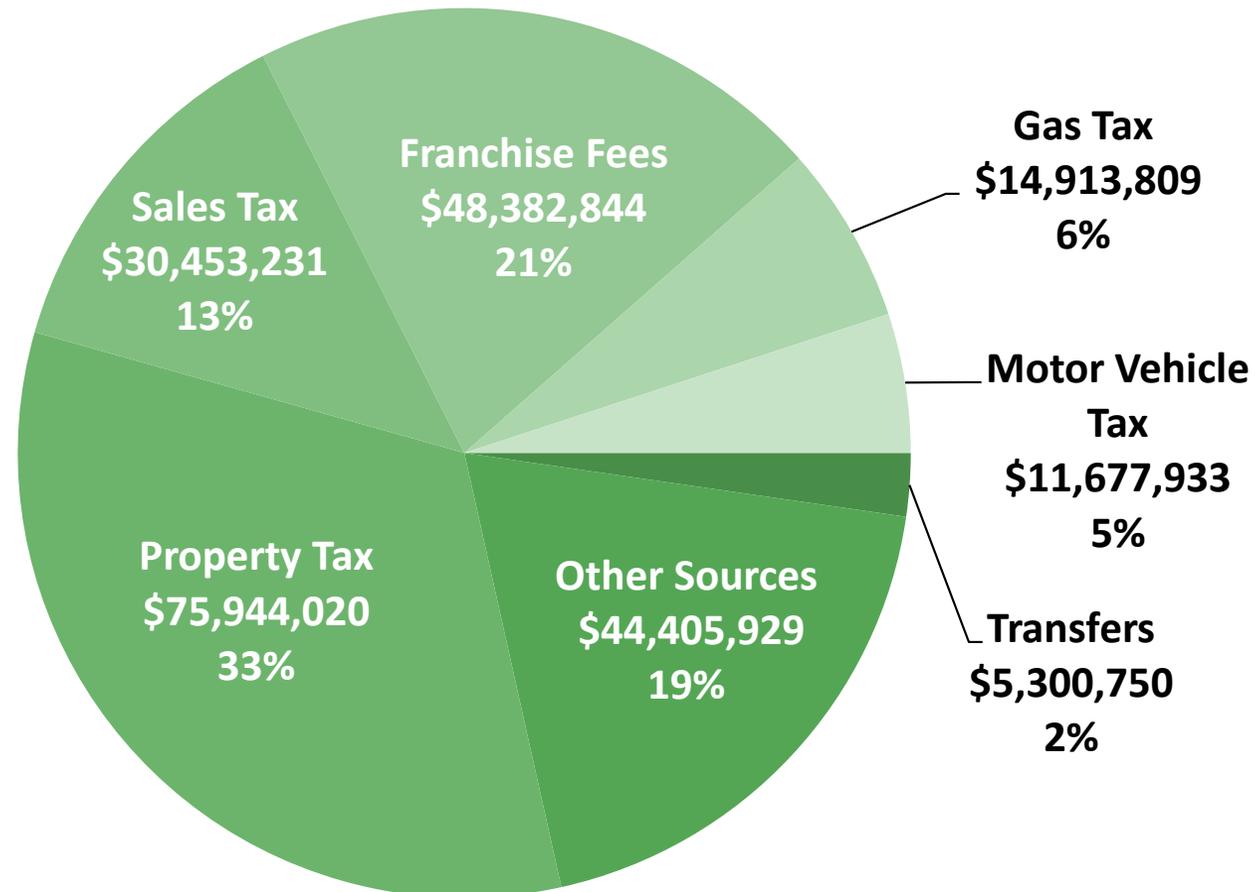
(\$ in millions)

General Fund Overview

- Many revenues performing as expected, but franchise fees (20% of revenues) are weather dependent and commodity price dependent
- Expenditure growth is moderate, but expected to exceed revenue growth long-term
- Challenges include: health insurance, pension, and fuel costs, a possible recession, and tax lid consequences

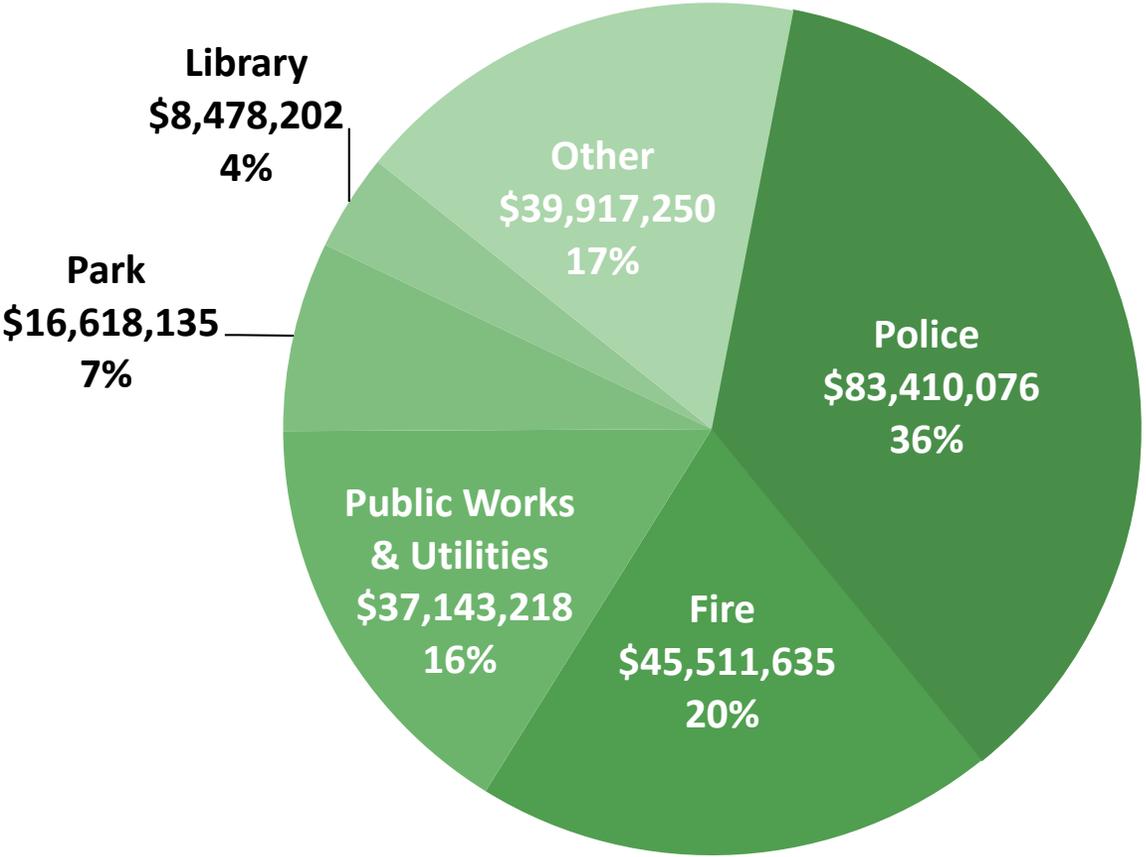
General Fund Revenues

Where City of Wichita Dollars Come From GENERAL FUND 2017 PROPOSED, \$231,078,516



General Fund Expenditures

Where City of Wichita Dollars Go
GENERAL FUND 2017 PROPOSED, \$231,078,516



General Fund Overview

- The budget is based on a mill levy rate of 32.6 mills, exactly the same as last year's budget.
- General Fund reserves total \$28 million, or 12.1% of expenditures.

General Fund Overview

- Funding for three additional Police Officers is included and a grant for seven more Police Officers has been submitted
- An additional EMCU Detective and seven staff to implement the Body-Worn Camera program are included
- New pilot programs for dust control and spot street repairs are continued

General Fund Overview

- Library staff are added (2018), along with adjustments to generate operational savings
- Increased funding for higher park mowing costs is included; as are savings from a pool closing
- The budget includes savings from lower fuel prices and workers' compensation rates
- A Police staffing realignment is planned to enhanced traffic enforcement outcomes

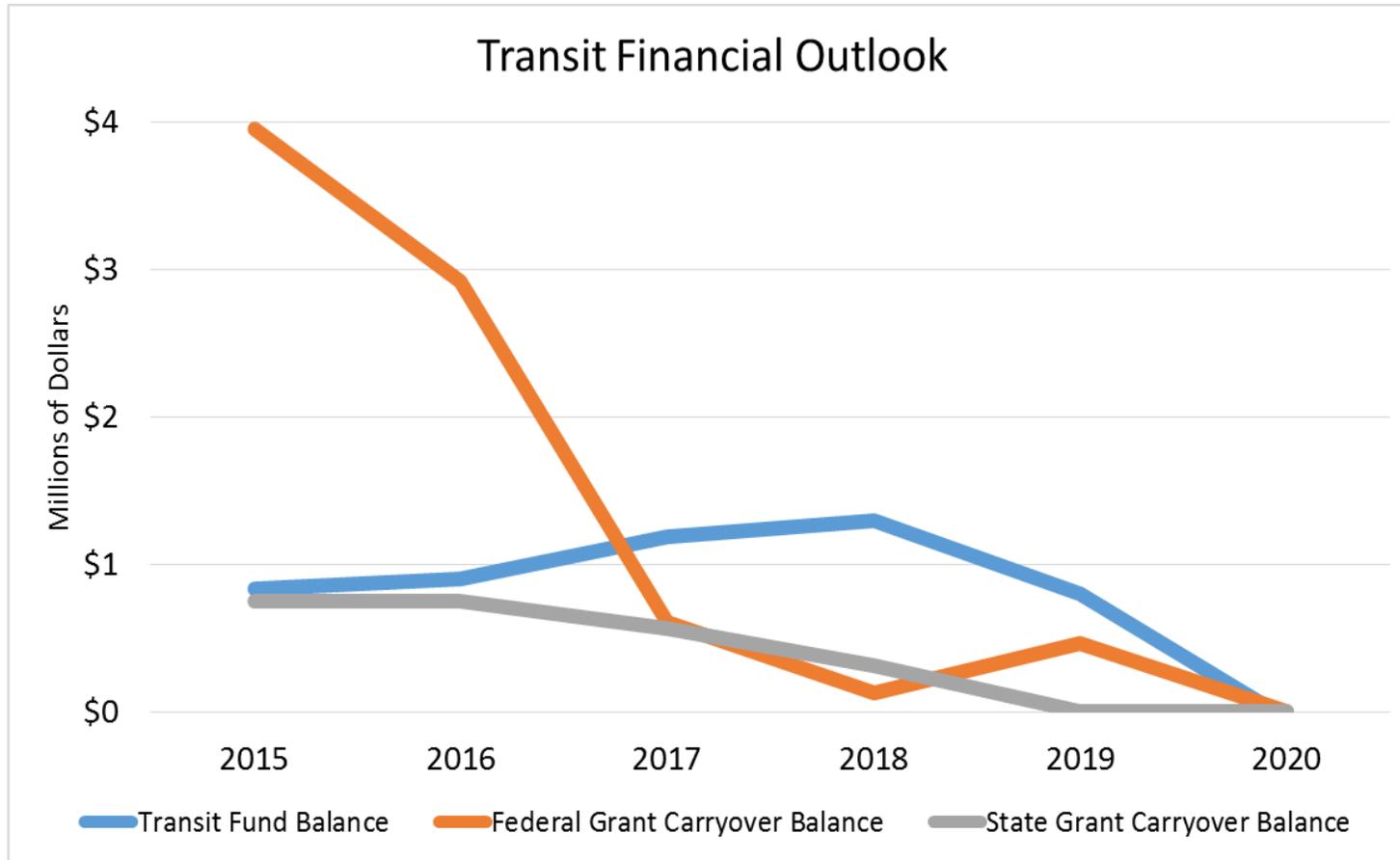
General Fund – Beyond 2017

- Staff will seek better aligned expenditure and revenue growth trends, and improved outcomes by pursuing excellence in areas that are most important
- A review of user and license fees will be completed to ensure City costs are appropriately recovered

Transit Fund

- Long term, Transit remains troubled; however, the Fund should be sustainable through 2019
- Fuel price continues to be favorable through 2017; impact after that is unknown
- Additional variables: fare revenue and grant awards
- Sustainable through 2019 with an additional \$300,000 in City funds, and depletion of federal fund balances

Transit Fund



- Sustainable by eroding fund balances
- No funding for additional capital costs beginning in 2020
- Limited margin of error for unexpected issues

2017 Property Tax Lid Impact

- Valuation growth of 2.6% is expected; 1.4% growth is from new construction.
- The average property increased in value by 1.4%
- The tax lid law limits this grow to .125%
- The 2017 Proposed Budget exceeds the tax lid by \$902,102, requiring a vote by the City Council

2018 Property Tax Lid Impact

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- Tax Lid will change again for 2018
- CPI will change to a five-year average, but a vote of the electorate will be required to exceed the lid
- This will limit future revenue growth; likely below projected expenditure growth trends

Calendar

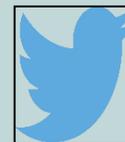
- July 12 - City Manager presents budget
- August 2 - Public hearing
- August 9 - City Council adopts budget

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2017-2018 Proposed Budget Discussion

Finance Department

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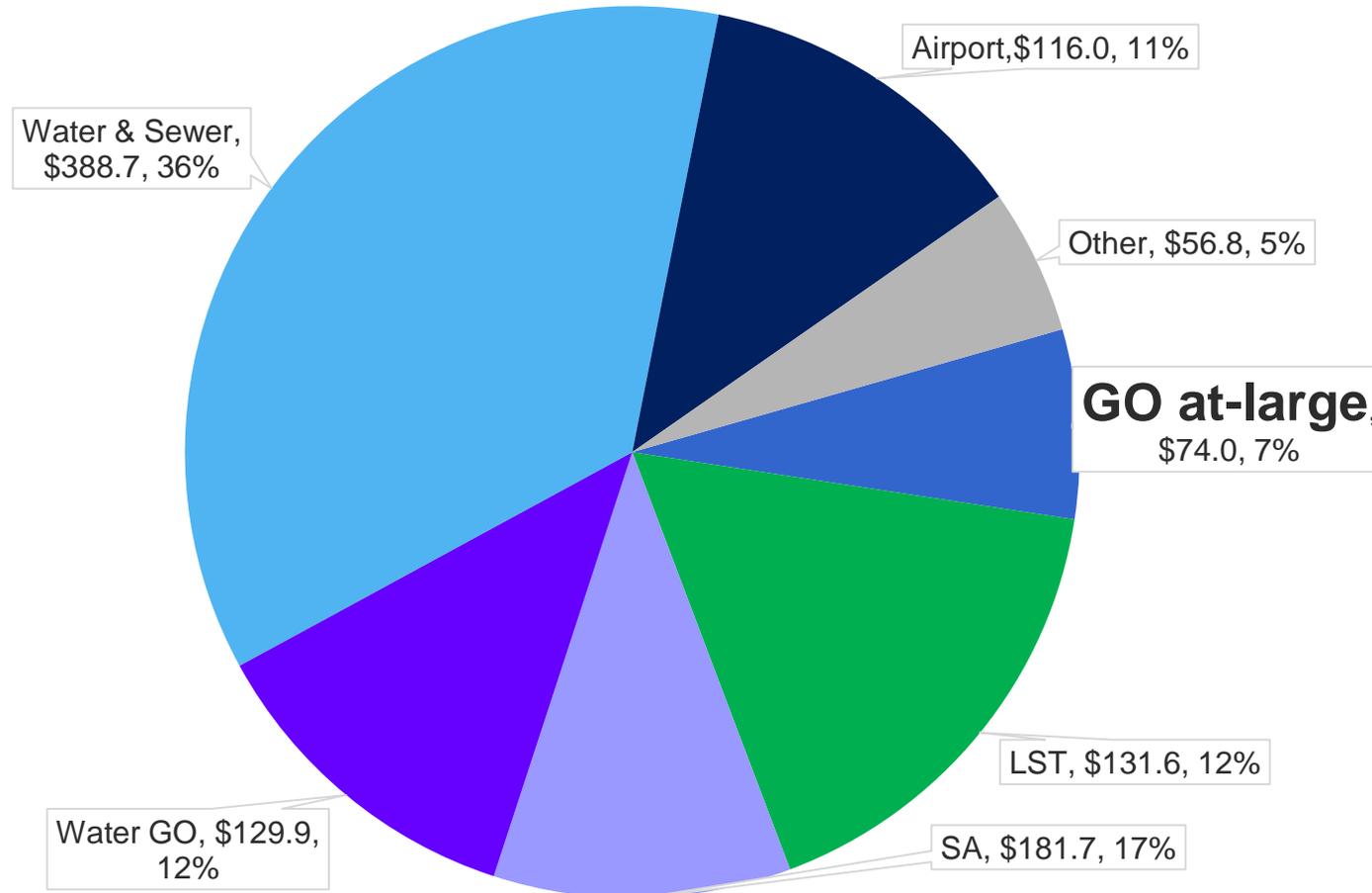
2017-2018

Proposed Budget

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Total Bonded Debt - 2015



Figures in millions of dollars

- Total bonded debt year-end 2015: \$1.079 billion
- Total bonded debt year-end 2014: \$1.032 billion
- GO at-large debt is 7% (\$74 million) of total bonded debt