



Budget Development

2008 - 2009



Presentation Outline

- Review budget process for 2008-2009 budget
- Discuss Results Report for 2006
- How much should the City spend?
- What outcomes does the City want to provide?
- Next steps

Our Process: Managing for Results


- Identifies and focuses on the things the governing body wants to address
- Develops an overall system for addressing those areas
- Allocates resources to the services that deliver the most value and best achieve organizational goals
- Develops and tracks cost and performance data



City Goals



City Customer Service Indicators




City of Wichita - Balanced Scorecard


Key

City is Primary Service Provider


City is not Primary Service Provider



5 Goals




SAFE & SECURE
COMMUNITY




ECONOMIC VITALITY
AFFORDABLE LIVING



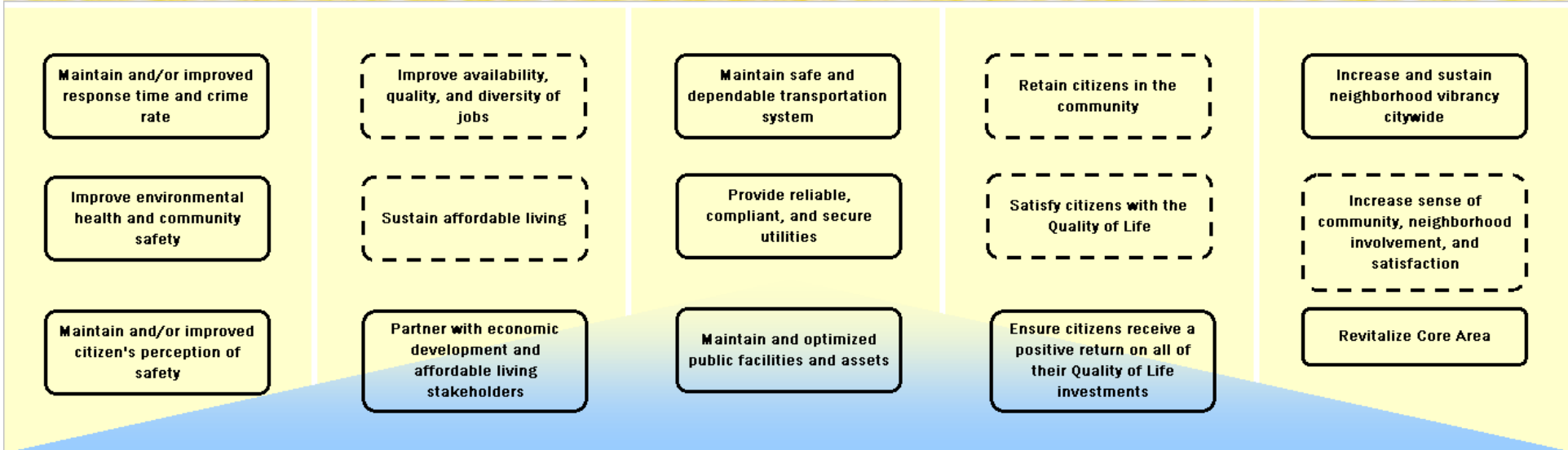
EFFICIENT INFRASTRUCTURE



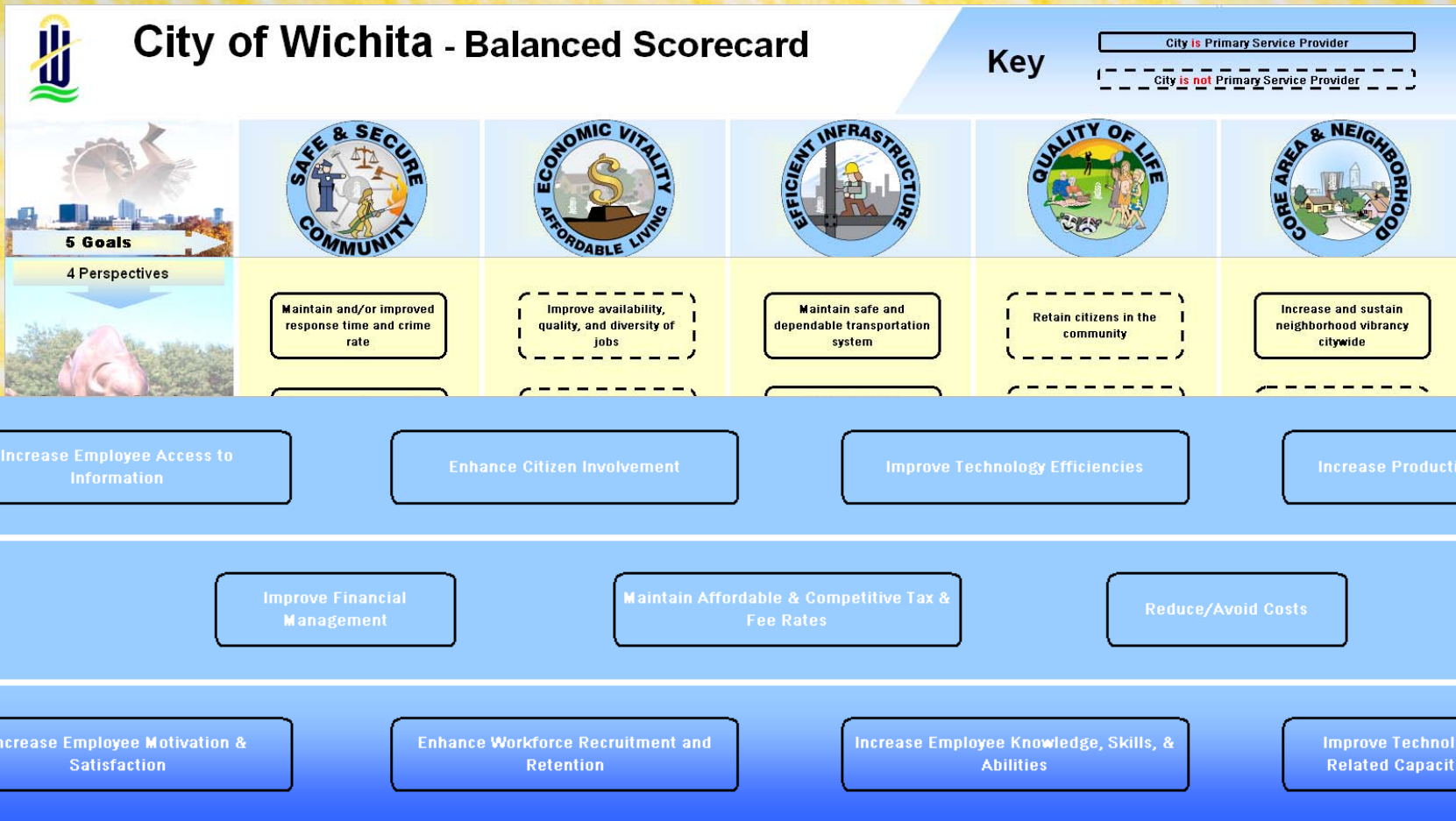
QUALITY OF LIFE



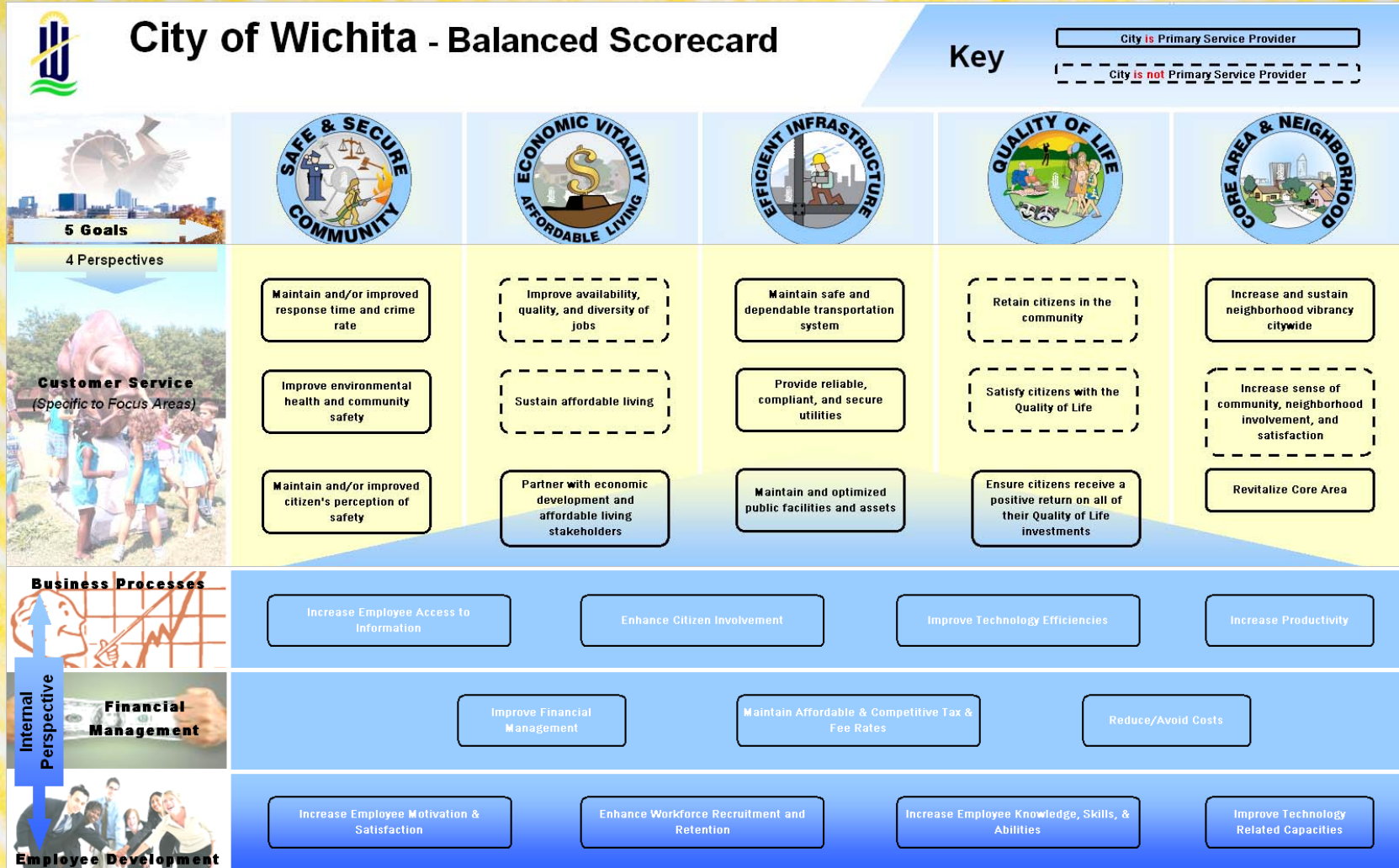
CORE AREA & NEIGHBORHOOD



City Internal Perspective Indicators



City Balanced Scorecard



City Balanced Scorecard

City of Wichita - Balanced Scorecard

Key

- City is Primary Service Provider
- City is not Primary Service Provider

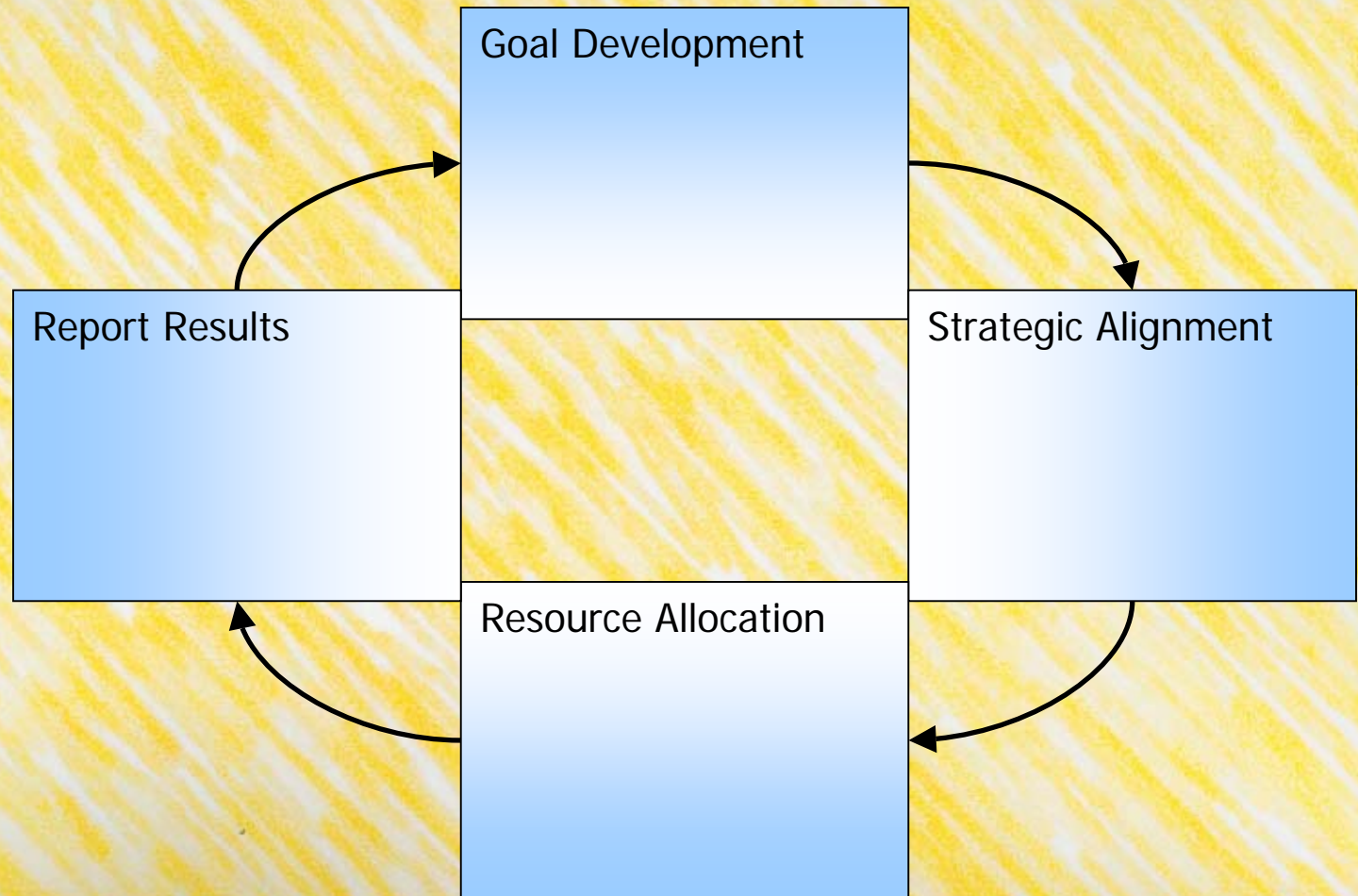
Provides a roadmap for evaluating requests (how does the outcome of a budget request relate to an indicator the City wants to influence?)

Internal Business Processes

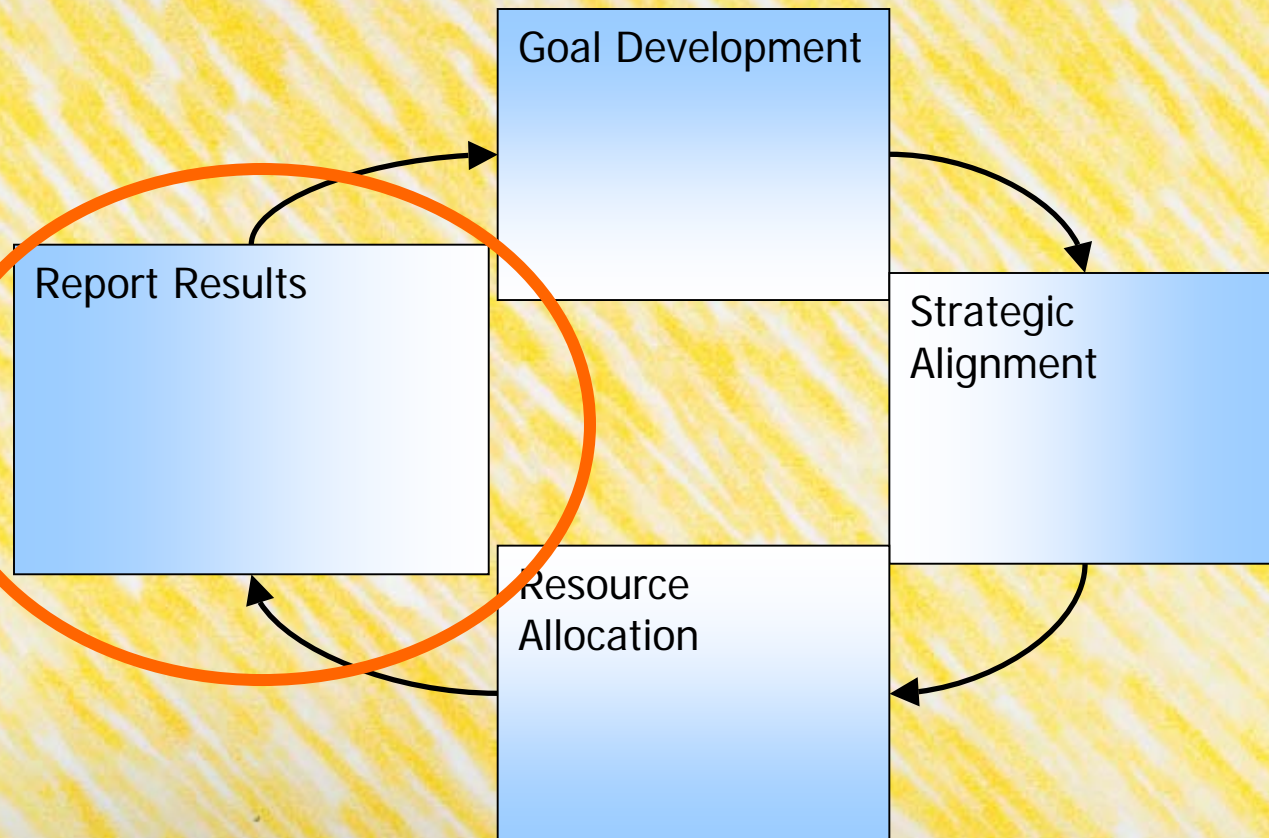
Employee Development

- Increase Employee Motivation & Satisfaction
- Enhance Workforce Recruitment and Retention
- Increase Employee Knowledge, Skills, & Abilities
- Improve Technology Related Capacities

2008-2009 Managing for Results Budget Process



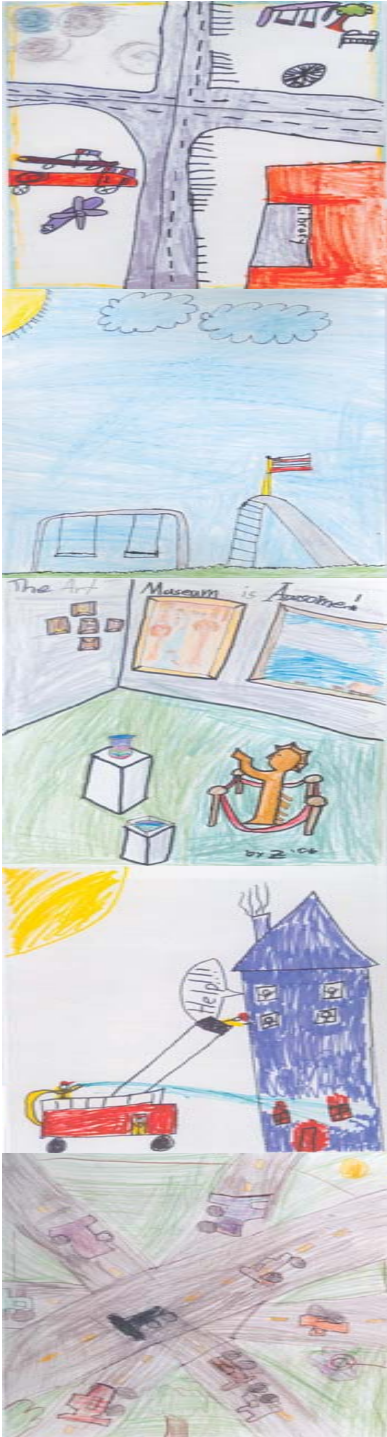
2008-2009 Managing for Results Report Results



Reporting Results

How do we know if we are going where the Council is steering our organization?

- Each Service has performance measures
- Over 300 Performance measures are maintained and tracked
- Output provided by municipal services can be a challenge to appropriately measure in some cases
- Performance measures should provide feedback on how well a service is performing, relative to the target





Reporting Results

- Summarizes performance at the indicator and goal level
- Uses "stop lights" to provide a quick look at performance (green is good)

Initial Results Report

Uses

- Provide information on what the City is doing in each Goal Area
- Report progress towards City goals
- Provide feedback to determine targets for 2008-2009





Initial Results Report

Safe and Secure Goal

- Fire Response time 6:57 minutes
(better than the 7 minute target)
- Animal Control responded to 92%
of calls for service (target was 94%)

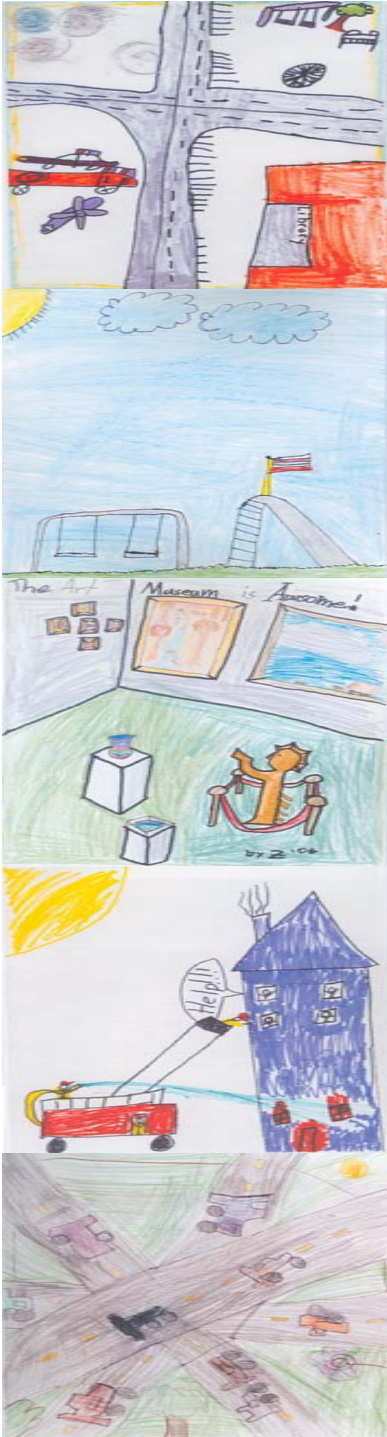
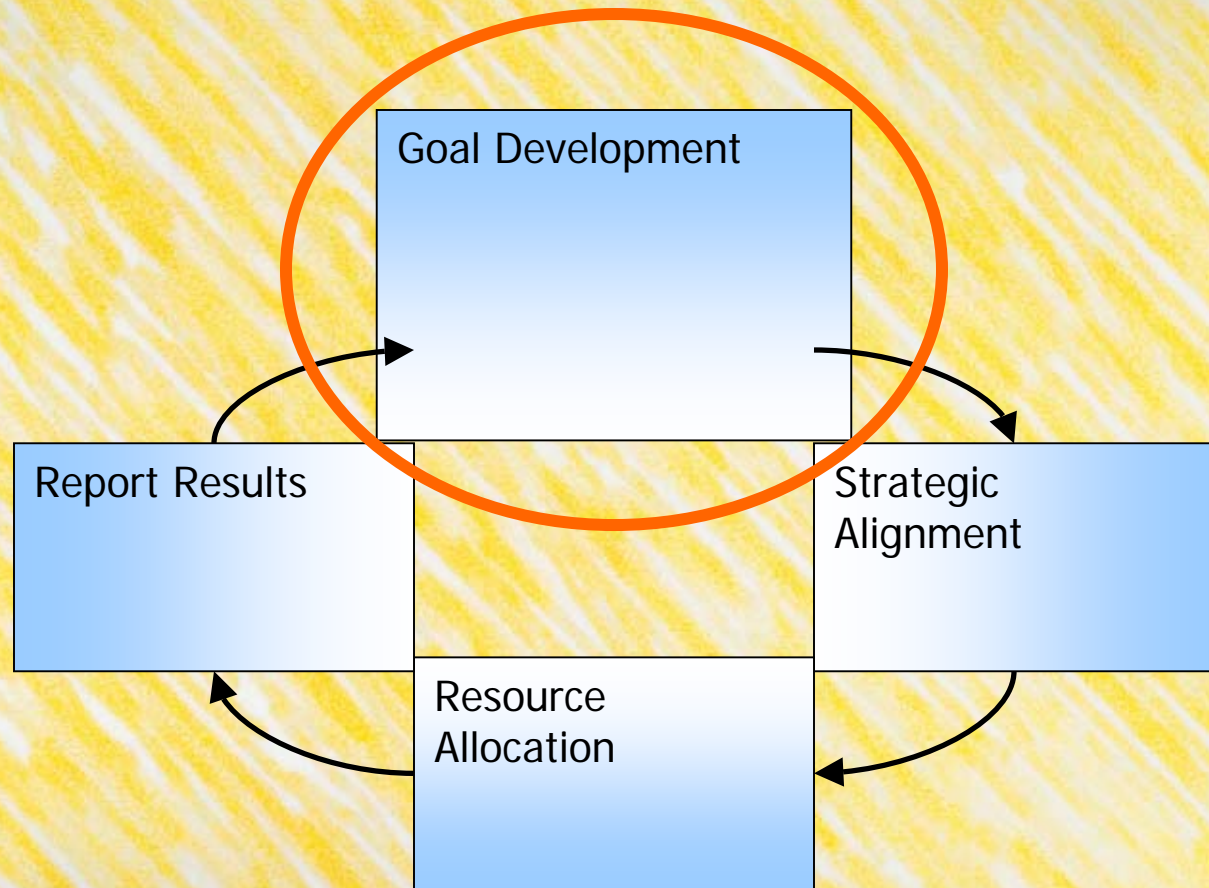
Initial Results Report

Weaknesses

- Performance measures are evolving
- Targets were set too low (too many green lights)
- Some indicators are difficult to measure
- Some data is difficult to collect



Goal Development

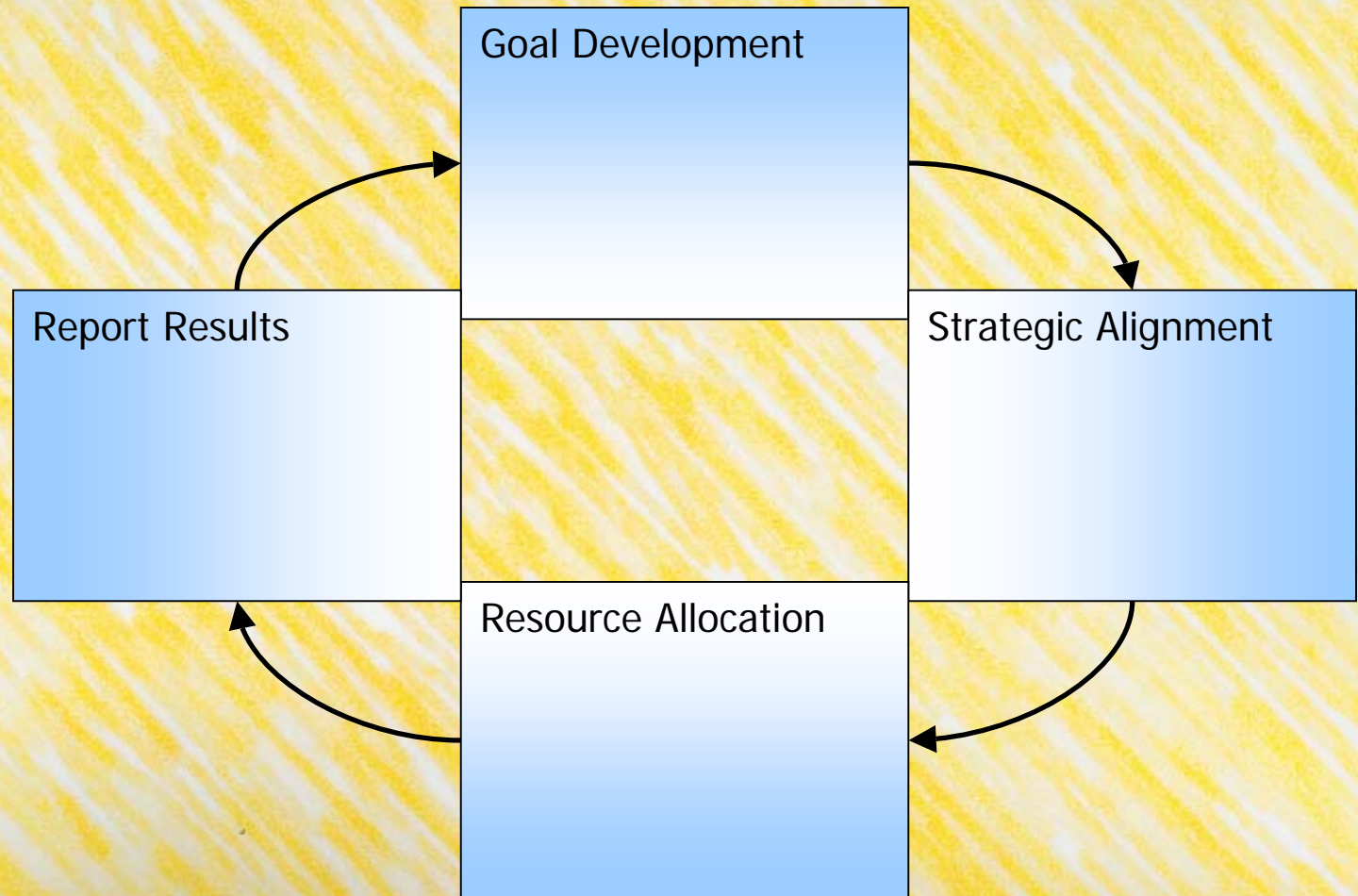


Goal Development

- Most jurisdictions do not frequently change goals
- Some indicators are difficult to adequately measure and perhaps are less meaningful in their current form
- Council may want to consider feedback on fine-tuning Goals or Indicators, as appropriate



2008-2009 Managing for Results Budget Process



Strategic Alignment

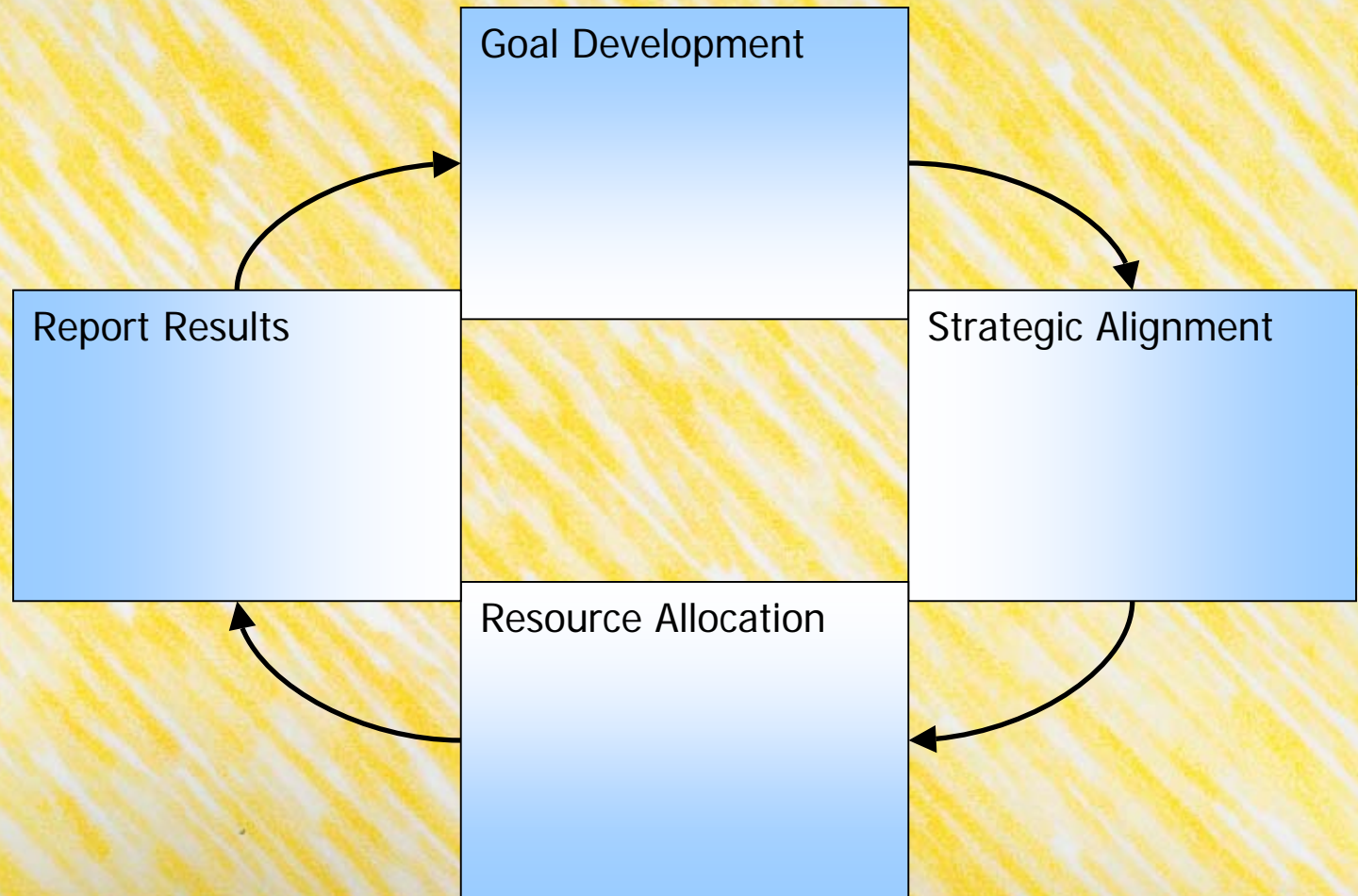


Strategic Alignment

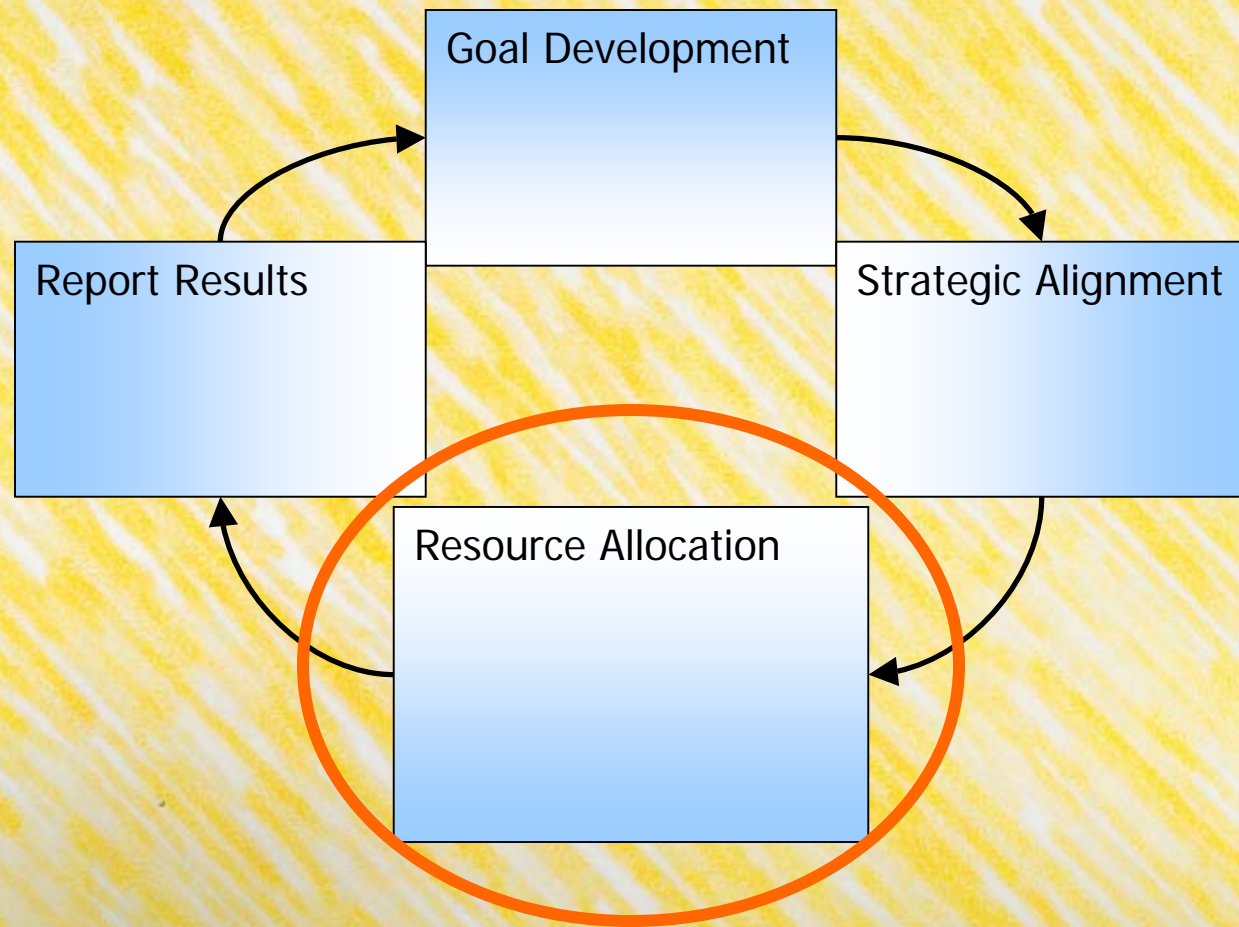
- Staff has been preparing “service plans” (strategic operating plans)
- These plans attempt to align strategies with the City's goals
- Should answer: How much does it cost? How does it relate to a Council goal? What outcome does it provide? How is the outcome measured?



2008-2009 Managing for Results Resource Allocation



2008-2009 Managing for Results Resource Allocation





Revenues

- How much does the Council want to spend to provide outcomes?
- How much is available given the current policies?



General Fund Revenues

Property Tax (\$62m - 33%)

- growth of 3.3% expected (5.4% less impact of M&E)
- *main variable is real estate market*

Sales Tax (\$25m - 13%)

- growth of 3% expected
- impact of County tax increase offset by greater than anticipated growth
- *main variable is economic activity*



General Fund Revenues

Franchise Fees (\$33m - 17%)

- growth of 2.5% expected
- *main variable is weather*

Gas Tax (\$16m - 8%)

- growth of 2.5% expected
- even with growth, revenue is expected to be \$600,000 below budgeted levels
- **revenue is based on gallons consumed, not price**
- *main variable is price of gasoline*



General Fund Revenues

Reimbursements and Transfers (\$11m - 6%)

- growth of 4% expected
- increase based on SRO agreement
- *revenues usually dictated by contact agreement (reimbursements) or budgeted transfers*

Charges for Services / Permits (\$13m - 7%)

- no growth expected
- *most controllable revenue, based on activity, fees rates*



General Fund Revenues

Court Fines (\$9m - 5%)

- growth of 2% is projected
- *revenues are based on enforcement activity and judicial assessments*

Other (\$21.5m - 11%)

- includes interest earnings, administrative charges, liquor taxes, motor vehicle taxes
- growth of 2% is projected
- *most revenues are not directly controlled by the City*



General Fund Revenues - Summary

<u>Year</u>	<u>Amount</u>	<u>Growth</u>
2005	\$169.7	4.5%
2006	\$178.1	4.9%
2007 Adopted	\$185.6	4.2%
2007 Revised	\$184.8	3.7%
2008 Proposed	\$190.5	3.0%
2009 Projected	\$195.3	2.5%

Expenditures

What results does the Council want to buy?

- Does the service produce a desirable outcome?
- What is the desired level of outcome?
- Can a different strategy be funded to provide similar or better outcomes at a lower cost?



Expenditures - General Fund

Cost of continuing to buy the same services as in the past, using the same strategies:

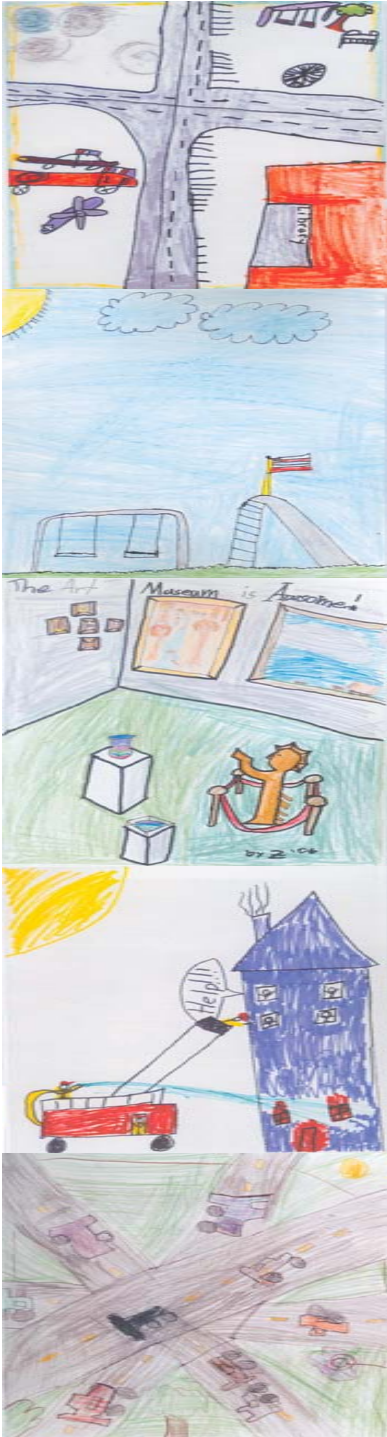
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenue	178.1	184.8	190.5	195.3
Goal 1	101.8	108.8	114.1	117.3
Goal 2	.4	.5	.5	.5
Goal 3	29.6	32.6	33.5	34.2
Goal 4	15.4	17.1	17.6	18.0
Goal 5	13.1	14.2	14.5	15.1
IP	<u>17.5</u>	<u>12.4</u>	<u>11.7</u>	<u>12.5</u>
Total	177.8	185.6	191.9	197.6
Margin	.3	(.8)	(1.4)	(2.3)

Expenditures - General Fund

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Margin	.3	(.8)	(1.4)	(2.3)
2007 Adopted Budget Margin	0	0	0	(1.6)

Most of the difference in the projections is:

- lower gas tax revenues than assumed
- increased snow and ice in 2007
- increased inflationary pressures in out years



Creating the Budget for 2008-2009

How much is available to spend?

- changes to revenues
- changes to assumptions

Which outcomes are we going to buy?

- are there outcomes we provide now that should not be funded?
- are there outcomes that can be provided more efficiently?
- are there services that provide a higher than desired level of results?

Next Steps

List of services, with cost (net of applicable revenues) and outcomes

List of additional funding requests from departments



Next Steps

Strategy Teams will present to Council on May 15th and May 22nd

Teams will provide Council a report, with Service Adjustment Plans (SAPs) ranked in terms of outcomes relative to the goal area

City Manager will meet with Department Directors to review: outcomes provided, relevant targets for performance levels, strategic options to provide current services levels for less resources





Tenative Budget Calandar

July 10 - City Manager Presents Proposed budget

July 17 - Public hearing / workshop

July 24 - Council sets maximum taxes levied / workshop

August 7 - Public hearing / workshop

August 14 - Council Adopts Budget / Public hearing



Questions and Comments