



BUDGET WORKSHOP

June 22, 2010



CITY OF
WICHITA



OUTLINE

- 1) Budget Process
- 2) Revenue Overview
- 3) Policy Issues
- 4) Expenditure Prioritization
- 5) Reduction Strategies

BUDGET PROCESS



BUDGET PROCESS

- **Citizen Input**
 - Public hearings

- **District Advisory Boards**
 - Presentations in early June
 - Combined DAB meeting on June 28

BUDGET PROCESS

- **Department Management**
 - Budget hearings with individual departments
 - Separate management team review
- **Employee Suggestion Program**
 - Conducted in January and February
 - 116 suggestions submitted by City employees
- **Staff Budget Committee**
 - Analyzed employee suggestions
 - Management and non-supervisory representative from each department

PROJECTED REVENUES

General Fund

Source	2010	2011	2012
Property Taxes	\$ 72.0	\$ 75.6	\$ 77.6
Motor Vehicle Taxes	9.9	10.2	10.6
Sales Taxes	24.7	25.3	26.1
Motor Fuel Taxes	13.7	13.8	14.0
Franchise Fees	35.2	39.1	40.6
Charges for Services	10.0	9.7	9.7
Transfers	13.3	11.8	11.7
Interest Earnings	1.7	1.8	2.5
Other Revenue	24.4	25.9	26.1
Total Revenues	\$ 204.9	\$ 213.3	\$ 218.7
% Increase	3.2%	4.1%	2.5%

Amounts shown are in millions

CHANGES FROM ADOPTED

- Sales tax and franchise fee revenue are down due to decreased economic activity
- Interest earnings lower because of interest rates

General Fund Revenue: 2010 Adopted vs. 2010 Revised

Source	Difference
Sales Tax	(\$1.8)
Franchise Fees	(4.3)
Interest Earnings	(1.6)
Transfers	2.6
Other	(1.2)
Total	(\$6.2)

Amounts shown are in millions

GROWTH FORECAST

General Fund Revenue

Source	2011	2012
Property Taxes	\$ 3.7	\$ 2.0
Franchise Fees	3.9	1.5
Sales Taxes	0.6	0.8
Other	0.2	1.2
Total	\$ 8.4	\$ 5.4

Amounts shown are in millions

REVENUE TRENDS

- Property taxes increasing due to shift of mill levy from Debt Service Fund to the General Fund
 - To be used for economic development projects
- Consumer activity expected to lead to sales tax recovery by end of 2010
- Interest rates are near zero

PROJECTED EXPENDITURES

General Fund

Source	2010	2011	2012
Public Safety	\$ 117.5	\$ 124.8	\$ 127.5
Public Works	40.4	40.0	40.9
Park & Recreation	14.1	12.8	12.9
Library	7.6	7.6	7.8
Arts & Culture	7.7	7.9	8.1
Transit	4.0	4.0	4.0
Support Departments	11.2	11.4	11.5
Transfers	3.3	5.8	5.8
Other Expenditures	-0.8	-0.9	0.5
Total Revenues	\$ 204.9	\$ 213.3	\$ 219.0
% Increase	3.2%	4.1%	2.7%

Amounts shown are in millions

CHANGES FROM ADOPTED

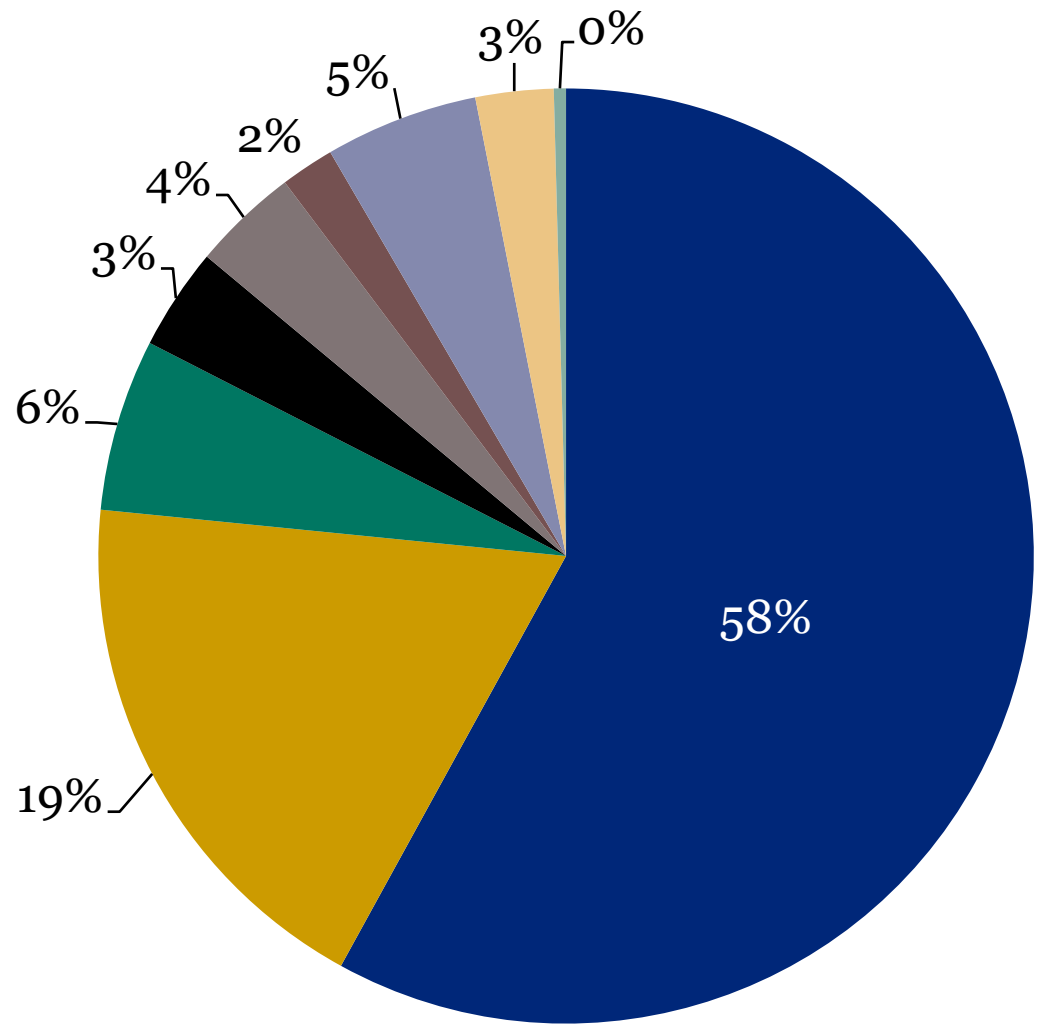
- Public Works expenditures lower due to reduction in contracted street maintenance (\$9 million to \$6 million)
- Park & Recreation received lower than expected mowing contractor bids

2010 General Fund Expenditures

Source	Difference
Mowing Savings	(\$0.3)
Street Maintenance	(\$3.0)
Reduction in Vehicle Replacements	(\$0.7)
Salary Re-calculations/Other	(\$2.2)
Total	(\$6.2)

Amounts shown are in millions

2011 EXPENDITURES



- Public Safety
- Public Works
- Park & Recreation
- Library
- Arts & Culture
- Transit
- Support Departments
- Transfers
- Other Expenditures

POLICY ISSUES

- No property tax mill levy increase
- Streamlined management
- Combining departments and like functions
- Furloughs / layoffs
- Outsourcing services
- Expanding partnerships
- Core vs. essential vs. support services
- Increased cost recovery
- Trash fees
- Funding employee benefits (health/pension)

INVESTING IN EMPLOYEES

- Maintain current compensation levels in 2010, 2011 and 2012
- Merit raises/step increases and longevity are included
- Health Insurance & Pension
 - Health premiums funded at current employer contribution level (80%)
 - Pension contribution rates have increased based on actuarial analysis of Pension Fund.
- Maintain internal training initiatives

MANAGEMENT EFFICIENCY

- Management structure of entire City was reviewed
- New streamlined management and organizational structures in almost every department
- Combining Water Utilities with Public Works

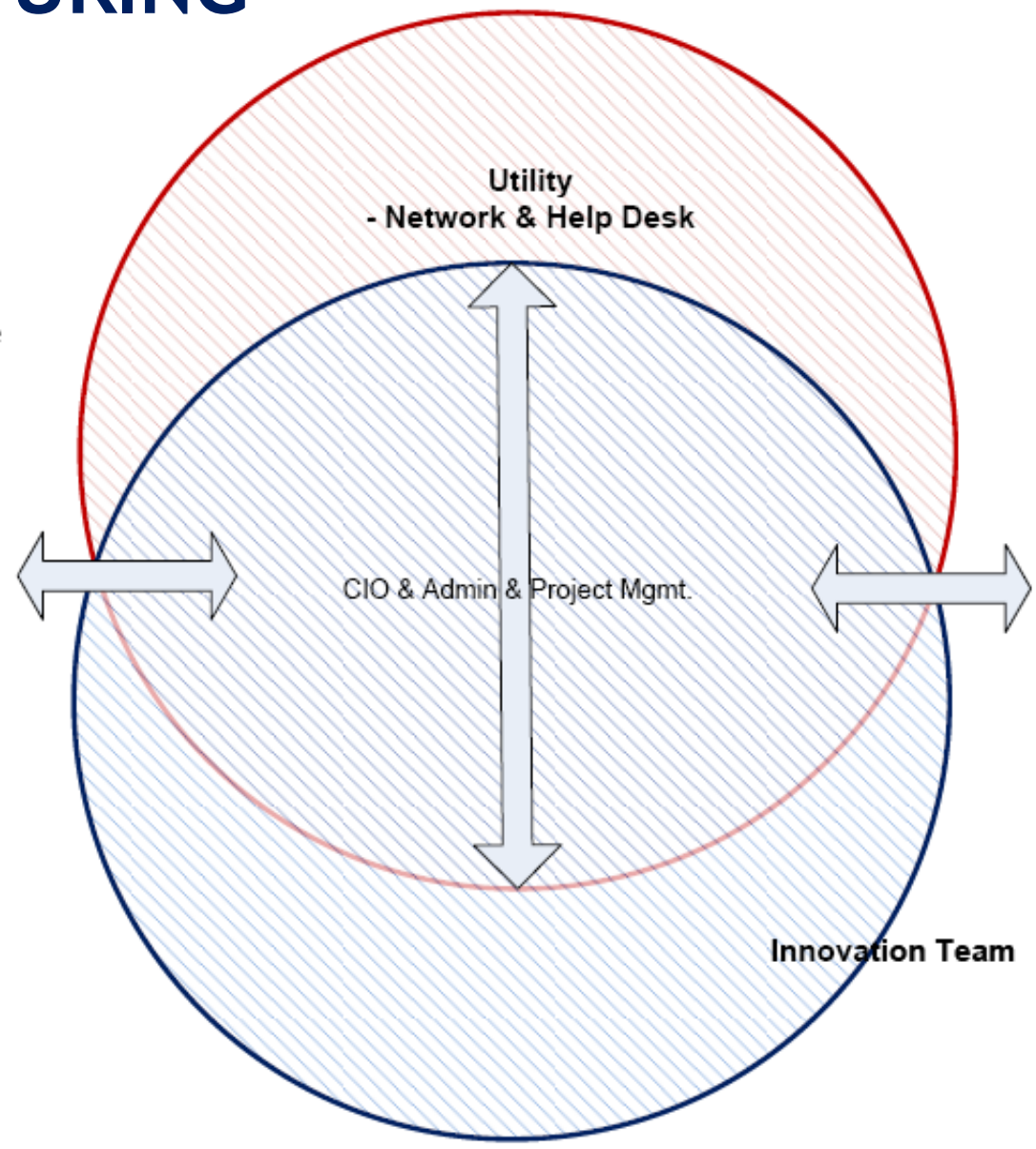
RESTRUCTURING

Internal Customers

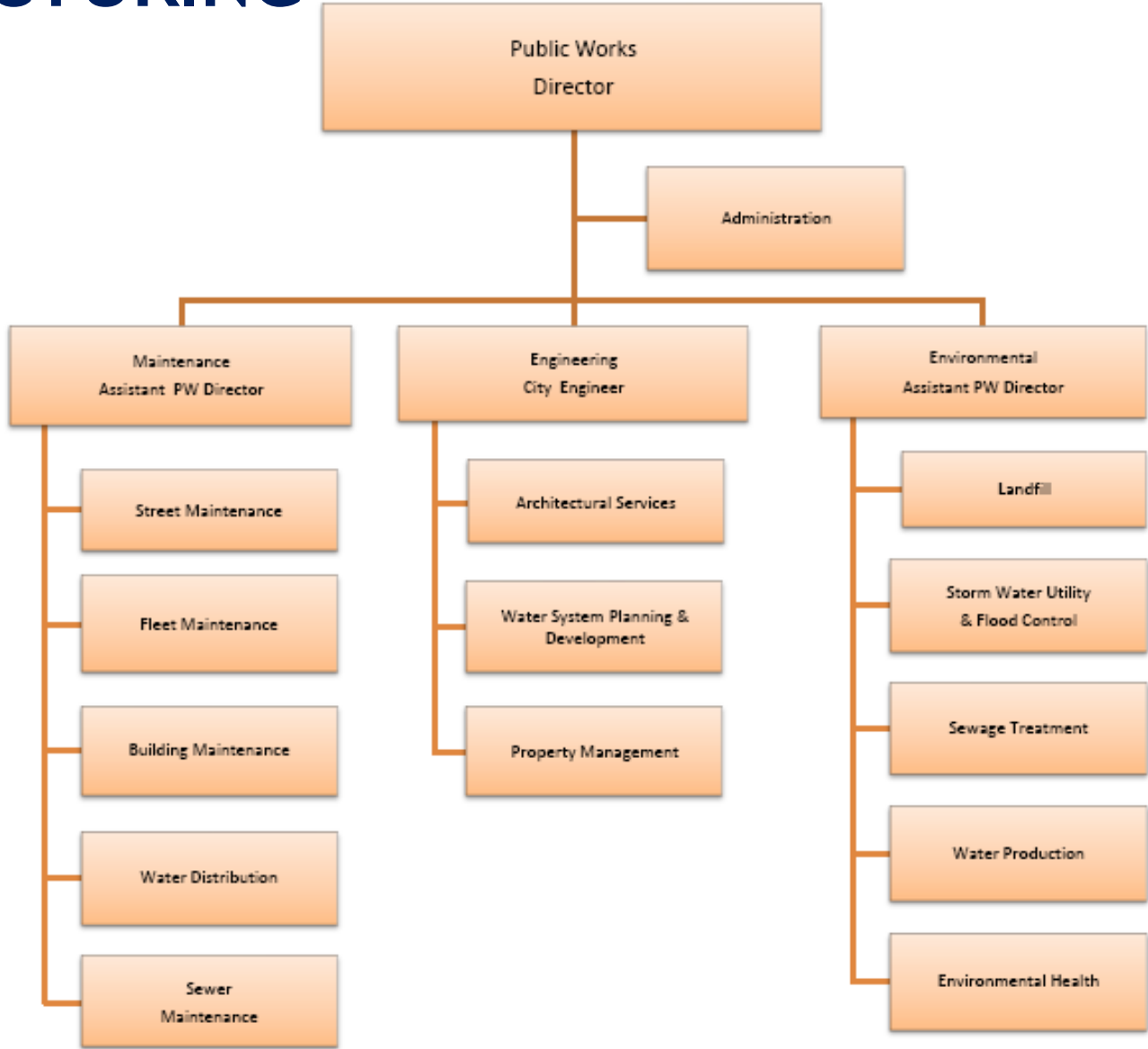
- Airport
- Career Development
- City Manager's Office
- City Council
- Environmental Services
- Finance
- Fire
- Housing Services
- Human Resources
- IT/IS
- Law
- Library
- Municipal Court
- OCI
- Park & Recreation
- Planning
- Police
- Public Works
- Transit
- Water Utilities

External Customers

- Citizens
- Businesses
- Visitors



RESTRUCTURING



BUDGET REDUCTION STRATEGIES

- Reduce funding to lower priority areas (Essential Services)
- Enhance the efficiency of service delivery
- Use of performance measures in allocation decisions

PRIORITIZING EXPENDITURES

Insure
Physical
Safety

Protect
Property

Protect Public
Infrastructure
Investment

Create a
growing
community

• Core Services

Police Beat Patrol – \$41.9 million in 2009; \$45 million in 2011;

Fire Emergency Response - \$34.7 million in 2009; \$35.3 million in 2011

Street Maintenance - \$5.5 million in 2009; \$6.6 million in 2011

PRIORITIZING EXPENDITURES

Insure
Physical
Safety

Protect
Property

Protect Public
Infrastructure
Investment

Create a
growing
community

• **Core Services**

Support Services

Law Dept - \$1.5 million in 2009 to \$1.5 million in 2011

Human Resources - \$1.5 million 2009 to \$1.5 million in 2011

City Manager's Office - \$.7 million to \$.6 million

PRIORITIZING EXPENDITURES

Insure
Physical
Safety

Protect
Property

Protect Public
Infrastructure
Investment

Create a
growing
community

• **Core Services**

Essential Services

Support Services

Library - \$7.3 million in 2009 to \$7.6 million in 2011

Convention Center - \$2.8 million in 2009 to \$3 million in 2011

Park & Recreation - \$14.6 million in 2009 to \$13.1 million in 2011

ENHANCING EFFICIENCY

- Proposed Budget includes additional outsourcing, following the success of Park mowing outsourcing last year
- Proposed Budget includes restructuring of recreation and community education programs
- Proposed Budget includes review of clerical staffing, and enhanced pooling of staff

ENHANCING EFFICIENCY

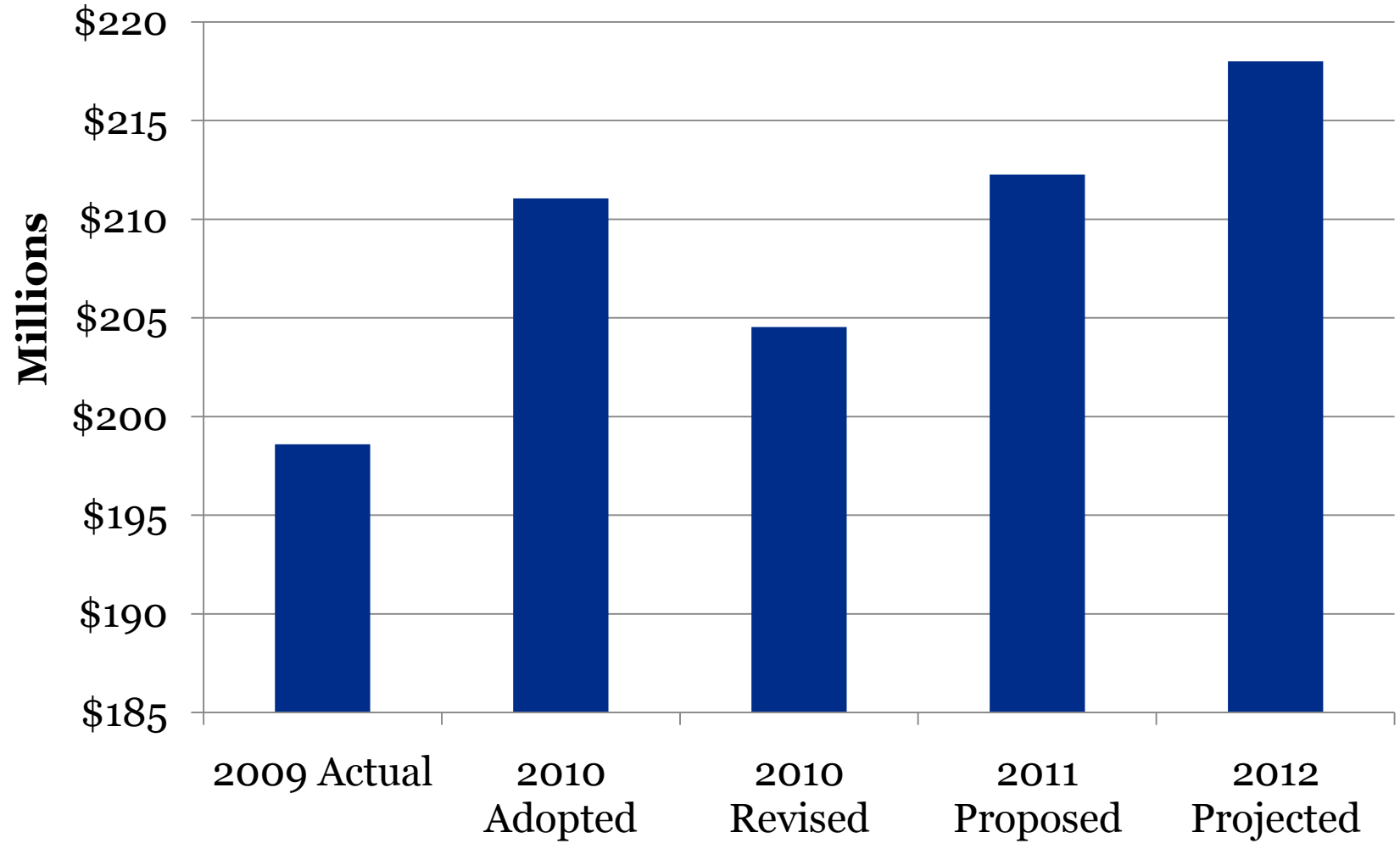
- Proposed Budget scrutinizes Department management structure, and will reduce management positions
- Proposed Budget will combine similar functional areas and departments
- Efficiencies will lead to eliminated positions and layoffs

ENHANCING EFFICIENCY

- Reassessment of fleet and equipment replacements
 - Public safety will remain priority, ensuring all necessary replacements
 - Other replacements will be evaluated
 - Reducing the number of low-use vehicles

SUMMARY

General Fund Expenditures



GENERAL FUND BALANCE

	2009	2010	2011	2012
Revenues	\$ 198.6	\$ 204.9	\$ 213.3	\$ 218.7
Expenditures	\$ 198.6	\$ 204.9	\$ 213.3	\$ 219.0
Income (Loss)	0	0	0	(0.3)
Fund Balance	\$ 22.5	\$ 22.5	\$ 22.5	\$ 22.2
Total	11.3%	11.0%	10.5%	10.1%

Amounts shown are in millions

REMAINING STEPS

Date	Activity
June 28	Citywide DAB Meeting – Overview of 2011/2012 Budget
July 13	Distribution of City Manager’s Proposed 2011/2012 Annual Operating Budget
July 20	Publication of Notice of Final Hearing on the 2011 Annual Operating Budget
July 27	Budget Workshop
August 3	Hearing on the 2011/2012 Operating Budget
August 10	City Council Formal Hearing and Adoption of the 2011 Operating Budget
August 25	Filing of Levies and 2011 Budget with the Sedgwick County Clerk



Questions & Comments

