THE CITY OF WICHITA

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December 20, 1984

Honorable Mayor and Board of City Commissioners
City of Wichita
Wichita, Kansas

Dear Commissioners:

The program of municipal services contained in the 1985 operating budget for the City of Wichita implements policy decisions made by the Board of City Commissioners to maintain quality while containing the growth of local government.

The adopted budget keeps property taxes $4,680,000 below the state-mandated property tax limit, a significant achievement because Wichita is one of the few cities in Kansas still under the state tax lid without an alternate revenue source, such as the sales tax.

While the total mill levy to finance the budget is 3.9 mills higher than in 1984, the mill levy for operating programs--police and fire, health, recreation, libraries and transportation--is 4.0 mills lower than that required in 1981. The mill levy increase was caused by two factors: (1) debt service fund requirements and (2) a below-average growth in the city's assessed valuation of 2.6 percent over 1984. It is difficult to maintain a stable mill levy when growth in the primary revenue source is less than the consumer price index inflation factor.

The administrative staff is committed to continue looking for improved methods and organizational structures to reduce the cost of delivering services. The budget implements reorganizations and consolidations of Fleet Maintenance and Water and Park engineering functions, which complete the consolidation changes initiated in 1984.

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In summary, the adopted budget:

- maintains current level and essential services;
- funds the 3% July 1984 and January 1, 1985 employee salary improvement;
- reduces by 12 the number of positions supported by property taxes;
- maintains a continued favorable credit rating; and
- adds resources for civil rights investigations.

Major challenges unaddressed by the 1985 Budget are:

- a long-term strategic financial plan to reduce property taxes.
- a comprehensive plan to fund a major program for city street, thoroughfare, and freeway improvements.
- a long-range water resource plan for the year 2000 and beyond.

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The 1985 Budget schedules one more year with heavy dependence on the property tax. At a time when the federal government is retreating from local financial assistance and other local revenues are not expanding with increased economic activity, it is recommended that a more elastic revenue source be adopted before 1986. The time has come to adopt a long-term financial plan which will reduce dependence on the property tax, provide for street and other capital improvements, while protecting the city's credit rating. The staff offers its assistance and support to the Board of City Commissioners in achieving this goal in 1985.

Respectfully submitted,

E. H. Denton
City Manager