Dear Mayor Longwell and Members of the City Council:

Throughout its history, the Arkansas and Little Arkansas Rivers have been essential to the development of Wichita. J. R. Mead established the first trading post in 1864 and the subsequent cattle drives of 1867-1871 helped Wichita grow into a regional economic hub. As Wichita grew, the river anchored downtown, as well as the Delano and Riverside neighborhoods. In the mid-20th Century, Century II changed the skyline along the river. Two significant changes to the view from the river include the 2018 openings of the Advanced Learning Library and River Vista. These projects are examples of continued public and private investments in the downtown area.

Just as the banks of the Arkansas River have shifted over the past 155 years, continued growth and investment in the community requires organizational change and adaptation by the City of Wichita. The 2020-2021 Proposed Budget reflects that culture of innovation, which was also evident in Wichita earning the All-America City Award for the fifth time in 2019.

Recovery from the most recent recession was challenging. The resilience that was required of the City has resulted in an organization that is more efficient and innovative than ten years ago. The 2020 Budget is the framework for all services that will be provided by the City of Wichita in the upcoming year. It is critical that the budget framework be sustainable in the short-term and long-term in order to adapt to changes, whether those are economic, technological, or a reflection of changing resident preferences. With that in mind, the 2020 Proposed Budget is presented to the governing body for consideration.

ALIGNMENT WITH THE CITY’S VISION, MISSION AND VALUES

The City of Wichita is a large organization that provides a variety of services to residents and visitors. Each activity, strategy, and outcome in the 2020-2021 Proposed Budget is guided by a clear vision, a simple mission, and values.

The City’s vision is to be a leading-edge organization serving a dynamic and inclusive community. Based on this vision, the City Council adopted a clear and simple mission statement:

As an exceptionally well-run city, we will:

- Keep Wichita safe,
- Grow our economy,
- Build dependable infrastructure and
- Provide conditions for living well.
The Budget funds strategies that align to the City’s mission. In 2018, all activities were categorized as either “untouchable” or “touchable.” “Untouchable” activities are those activities that are legally required, intrinsic to what residents expect from the department, or are things peer departments in other cities typically provide. In 2019, the residents had the ability to prioritize budget spending using an online Budget Simulator, which provided additional feedback to validate citizen priorities.

These most important areas are where the City is striving for excellence, and the 2020 Proposed Budget as well as the Capital Improvement Program allocate additional resources to these areas. In contrast, “touchable” activities are those that are linked to the City’s mission and provide important outcomes for residents, but are more discretionary in terms of whether they are funded by the City and at what level of outcomes they are funded.

Finally, it is important to recognize the influence that the City’s values have, not only on operating strategies, but also on how budget recommendations are developed and presented. To accomplish its mission, the City anchors its work in its core values of trust and service. Trust means: Respect, Empowerment, Ethics, Stewardship, Integrity, Engagement, and Family. Service means: Professionalism, Innovation, Excellence and Equity. To summarize, everything the City does, including developing and proposing annual budget recommendations, is based on the City’s mission, which is guided by its values.

**OPERATING ENVIRONMENT**

In developing the annual City Budget, it is important to be aware of the environment in which the City operates to identify potential external threats that could impact the City. The City of Wichita serves as a regional economic hub for more than one million people. In addition, Wichita businesses operate in a global economy, providing products and services to customers throughout the world. The City of Wichita is a legal entity authorized by the State of Kansas and is impacted by state legislation.

**LOCAL ECONOMY** - The Wichita economy has several positive factors that suggest continued growth. The Wichita State University (WSU) Center for Economic Development and Business Research (CEDBR) Current Conditions Index is designed to give an indication of the present condition of the Wichita metropolitan area economy. The WSU Current Conditions Index in February 2019 was reported at 97, which is an increase of 1.4 index points compared to the prior year. The WSU Leading Indicators Index, which is designed to give an indication of where the Wichita economy is headed over the next six months, was also at 97 (measured in February 2019), reaching its highest level since 2008.

Total employment in the Wichita Metropolitan Statistical Area (MSA), as reported by the Bureau of Labor Statistics, continues to improve, with employment reported at 298,770 in April 2019, an increase of 608 over April 2018 and 3,278 over April 2017. The Wichita area unemployment rate declined for the ninth consecutive year. In 2019 the unemployment rate continues to be low, at a reported 3.3% in April 2019.

Assessed valuation continues to rebound, with growth in 2019 estimated at a healthy 4.26%. Housing demand has continued to grow with 2018 total home sales of 10,384 in the Wichita MSA, coming closer to the pre-recession peak of 12,310 in 2006. The median sales price for homes of $156,746 reached a new high in 2018. The nonresidential real estate market also continued to improve in 2018. Continued strong commercial growth is expected in 2019, particularly for remodels and additions in downtown Wichita. This is a response to declining vacancy rates and increased rents, which are indicators of the improving market conditions and increased demand in the office, retail, and industrial markets.

In addition, a number of key employers in Wichita are expanding, with additional investments in the community and plans to add to employment levels. In December 2018, Spirit Aerosystems began a $1 billion capital investment and renovation program for Wichita facilities with plans to hire an additional 1,000 employees related to those improvements, plus another 1,400 new workers in 2019. The Cargill Protein Group Headquarters in downtown Wichita was completed in late 2018, which is expected to result in expanded employment in Wichita. The $70 million project is near Old Town on Douglas Avenue. Additionally, Cargill’s $90 million biodiesel conversion of the existing soybean processing plant is expected to be complete in mid-2019. Textron Aviation announced plans in May 2019 to hire 1,000 additional employees due to strong growth in jet and turboprop deliveries. Recently, Bombardier announced the production of a new Learjet model in Wichita.
However, it is important to also note other factors, though positive in the current term, indicate underlying economic weakness. Should recessionary patterns recur, the capacity for the City of Wichita to deliver services at the level desired by residents will be further limited. Though nominal taxable retail sales grew by 2.6%, the fastest growth since 2014, growth is expected to slow to 1.2% in 2019. Nominal personal income increased by 2.3% in 2017, and it is expected that the 2018 rate will be 3.1%. However, Wichita’s average growth rate for nominal personal income from 2007 to 2017 of 2.8% was 24% lower than the national rate of 3.4%.

Although the local economy is currently expanding at a moderate pace, the possibility of a recession in the future should be thoughtfully considered based on past business cycles. Any recession would likely have an immediate downward impact on several City revenue sources, including sales tax and motor vehicle tax collections. After a lag period, a recession would likely diminish growth in the assessed valuation base. While the City is aggressively pursuing a number of policies and strategies to facilitate local economic expansion, any future economic downturn could negatively impact on City finances.

ENGAGEMENT FOR THE 2020 PROPOSED BUDGET

Consistent with the City’s values, engagement continues to be very important in the development of the Proposed Budget. This engagement initially began with a series of two retreats held with the City Council in May and June 2019. This process provided guidance from the governing body on key budget policies.

Resident engagement is a key element of the budget process. An online Budget Simulator provided residents the opportunity to increase or decrease funding levels for 40 services and see the impact on a simulated property tax bill. Residents prioritized core services such as fire and medical emergency response, police services, street maintenance, stormwater drainage, park maintenance and transit. In addition to the Budget Simulator, the Social Media Town Hall was hosted for the eighth consecutive year in order to share results from the Budget Simulator and receive feedback. This continues to be a very effective means of reaching residents and collecting feedback. The event’s combined reach was 80,527 people between Facebook, Twitter, and Nextdoor.

Staff also continued the more traditional budget presentations at each of the six City Council District Advisory Board (DAB) meetings. Finally, a variety of other channels are used by the Communications Team staff to enhance citizen engagement. These efforts included posting videos of budget workshops and other budget presentations online (in addition to broadcasting them on City Channel 7), utilizing social media platforms to announce key dates and presentations and providing a variety of budget-related documents on the City’s website at www.wichita.gov.

FINANCIAL PLAN

Perhaps two of the most important City values are stewardship and professionalism. Both values guide the financial planning process that is integral to the 2020 Proposed Budget. Each year, a Financial Plan is developed, including a longer term view with five-year projections. Although projecting for that length of time is challenging at best, the plan identifies potential issues and trends, providing time for thoughtful and strategic responses and potential policy direction.
**Total City Revenues and Expenditures** - The 2020 Proposed Budget includes $624,537,612 in expenditure authority among all of the City’s funds (net of interfund transactions and not including Trust funds). For the 2019 Revised Budget, total expenditure authority of $566,072,908 is included; an increase of $61.2 million over 2018 actual expenditures. This includes appropriated reserves of $11.5 million (excluding General Fund appropriated reserves), and Water and Sewer Utility Fund increases of $16.1 million.

The 2020 Proposed Budget of $624,537,612 represents an increase of $58.5 million over the 2019 Revised Budget. However, a significant portion of the increased expenditures budgeted in 2020 ($34.9 million) are related to the appropriation of reserves, consistent with State statute. These reserves will most likely not be spent, but State law requires that any amount of fund balance in excess of 5% of expenditures be appropriated. After adjusting for appropriated reserves, the budget growth is $23.6 million in 2020; an increase of 4.7%. This growth is largely due to increases in General Fund expenditures ($4.1 million) and the Water Utility Fund ($4.2 million).

**General Fund** - The General Fund is used to finance City services cited by residents as the most important, including police operations, fire protection, parks, transit, and infrastructure maintenance. General Fund expenditures account for nearly half of the entire City budget. Expenditures in the General Fund are aligned with revenues, resulting in a balanced budget in 2020. However, consistent with financial forecasts from previous years, maintaining a balanced General Fund budget in the future will require continued diligence and foresight. Revenues are expected to continue growing. However, many revenues are significantly impacted by environmental and technology changes as pointed out in the past. Despite these challenges, the City has a long history of balancing the budget annually.

### Long-Term General Fund Financial Plan (Dollars in Millions)

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**Reserve Levels** - The projected balance in the General Fund will be $34.8 million, which is an estimated 13.9% of expenditures in 2020, exceeding the 10% policy minimum. Reserve levels are very important for a variety of reasons. Reserves provide liquidity for the City, which is particularly important in the event of emergencies, unforeseen circumstances, or downturns in revenues. Reserves also ensure adequate cash flow to fund City operations. However, perhaps one of the most important reasons to maintain (and increase) reserve levels is the impact of reserves on the City’s bond ratings. Maintaining consistent bond ratings is very important to mitigate borrowing costs. The ratings are based on multiple factors, including existing reserve balances. The City has consistently maintained favorable bond ratings, and has enjoyed competitive access to capital markets.

However, rating agencies consistently note the importance of reserve levels in their ratings models, and the negative consequences any erosions in reserve levels could have on the City’s rating. The rating agencies tend to focus on any draws in existing reserve balances.

**Mill Levy Rate** - The General Fund budget is based on a mill levy rate of 25.192 mills, which is virtually the same as the 2019 Adopted Budget. The total mill levy rate for the City is estimated at 32.692 mills in 2020, equal to the rate levied in 2019.

### Stable Mill Levy Rate

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GENERAL FUND EXPENDITURE GROWTH - General Fund expenditures in 2019 are projected to increase by $14.4 million, or 6.1%, over 2018 expenditures, with 2020 growth of $4 million, or 1.6%. Generally, expenditure increases are for wage and benefits costs. Additional growth components in 2019 include the implementation of Phase I of the Police staffing plan and the reduction of planned savings for Fire, Park and Recreation and Public Works & Utilities. Growth for 2020 is lower than average due to one-time expenditures in 2019 that are not included on an ongoing basis.

Expenditures are dominated by salaries and benefits. Base wages are a function of employee demographics, union wage agreements and the number of positions filled. Benefits costs are more challenging. Although the City has aggressively pursued strategies to moderate growth rates, health insurance costs (which total 11% of General Fund expenditures) are budgeted to grow 8% annually. The City Council has traditionally and prudently fully funded the actuarial recommendations for pension contribution rates, which is reflected in the funded ratios of the City’s pension plans, which are higher than their peers. However, adverse market conditions, or changes in actuarial assumptions, can potentially impact pension contribution growth rates.

To preserve the financial health of the General Fund, it is important to consider strategies to limit expenditure growth and enhance revenue growth. Staff continually examine best practices and cost structures, with the objective of minimizing the costs of providing City services. Concurrently, staff will continue efforts to enhance user fee revenue by developing appropriate cost recovery rates for services.

OTHER FUNDS - The City budget is comprised of 28 additional funds. These funds 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. However, two funds merit further discussion.

♦ Golf Fund. The golf system continues to face a very challenging future. Nationwide, the golf industry continues to face downward trends in the sport's popularity. Several Wichita area courses have been closed in the past decade, but there is still more supply than there is demand for golfing. Providing General Fund support for Golf was the lowest ranked item in the online Budget Simulator and feedback from the Social Media Town Hall affirmed that direction. The 2020 Proposed Budget includes recommendations to reduce capacity and modify operating costs. However, as the sport of golf continues to suffer a decline in popularity, continued diligence will be necessary.

♦ Transit Fund. The long-term outlook after 2021 is stable, but challenged. Though the Transportation Department has lowered operating costs and increased revenue and ridership through innovative partnerships, structural deficits remain due to expenditure growth that outpaces revenue growth in the five-year forecast.

KEY RECOMMENDATIONS

The 2020 Budget is a plan that adapts to the challenges posed by the operating environment and allocates resources to produce outcomes consistent with the City’s mission. In addition, the recommendations are designed to enhance performance and strive for excellence in “untouchable” activities. To determine the outcomes produced by the City, an extensive performance management system is utilized. Staff report on performance through over 400 measures, many of which are included in this Proposed Budget document. When developing the budget, targets are established for each performance measure. These targets represent the level of performance expected based on the amount budgeted. Not only is transparency enhanced by reporting exactly how well the City performed in certain areas, these targets along with best practices are an important tool to help determine whether the appropriate amount of resources are provided, and whether new operating strategies should be considered.

Keeping Wichita Safe - The 2020-2021 Proposed Budget includes funding to further improve policing activities. In 2016, the City utilized a consultant to develop a staffing plan to further improve policing outcomes. This plan was developed based on an examination of current staffing levels and best practices in policing. The plan is divided into three phases and is scalable. Phase I has civilianized several positions, allowing commissioned officers to return to patrol duty. Patrol officers have been added, with
the goal of increasing the amount of proactive police patrols. In Phase I of the Police staffing plan, a total of 32 new positions were added, which are itemized in the 2019 Revised Budget. Additionally, funding is included for an effort to completely digitize all legacy police records.

Currently, a grant has been used to fund six Police Officers for the Broadway Corridor project in order to provide foot and bicycle policing to an area with higher crime rates than the community at large. When grant funds expire, the City of Wichita is required to fund the officers for an additional year. Due to the success of this program at reducing crime rates and improving resident and business safety, the officers will be retained for an additional year in 2021. Further evaluation of the Broadway Corridor project will guide whether the program should be limited to the existing area or expanded to adjacent areas.

The Fire Department has collaborated with Sedgwick County Emergency Communications and EMS since 2017 to coordinate responses to medical calls. To further that effort, the Integrated Care Team (ICT) community para-medicine program will provide an alternative approach to community needs that cannot be met by first responders. The program is a partnership between the City and County to provide joint services through the ICT that includes Police, Fire, Sedgwick County Sheriff, Sedgwick County Fire, and EMS. The first team to be deployed will be called ICT-1. First responders will connect with Comcare, which will provide a connection to social services as well as an embedded certified mental health provider.

**Dependable Infrastructure** - Street Maintenance, an “untouchable” activity, continues to be prioritized. A total of $10 million is allocated for the Outsourced Pavement Prevention Program (OP3) in 2020, an increase from the $9 million budgeted in 2019. Longer term, street maintenance funding is scheduled to continue increasing to a level of $18 million in 2028.

The Budget allocates $3.8 million from the General Fund annually to support Transit operations. This funding is supplemented with an additional $1 million annually through 2020. This was approved by the City Council in December 2016 from the proceeds of the Hyatt sale in an effort to develop sustainability strategies for Transit. With this funding, the Transit Fund has updated its service delivery model while improving operating efficiency.

In 2019, a Facilities Condition Assessment was completed. Ensuring that City of Wichita operations are provided from facilities that are well-maintained, the budget includes $500,000 in additional funding for Facilities Maintenance in the Public Works & Utilities budget.

**Living Well** - The 2020 Proposed Budget increases funding levels for the Park and Recreation Department by $275,000 in order to address backlogs in maintenance requests. Construction to implement the Aquatics Master Plan will be begin in 2019, and projected revenue and expenditures are included in this budget.

After the Advanced Learning Library opened in June 2018, efforts to discern the role of branch libraries resulted in the Branch Library Study. Staffing, hours, locations, and funding levels for branch libraries are unchanged, and funding is included in the proposed Capital Improvement Program for each location. In accordance with the Branch Library Study, a strategic framework was developed to determine the focus for each branch.

Funding continues to be allocated to cultural institutions in the 2020 Proposed Budget. However, two strategic adjustments are recommended. Efforts to improve cost recovery at Old Cowtown and CityArts are ongoing so that those institutions rely less on City of Wichita for operating support, similar to other cultural institutions. This approach is consistent with the funding model for the Wichita Art Museum and will enhance flexibility for non-profits operating these institutions. Finally, funding is recommended to increase for the other institutions by the growth in assessed valuation.
Growing our Economy - The City of Wichita continues to partner with Wichita Downtown Development Corporation, which is funded in part by the Self-Supporting Municipal Improvement District, to revitalize and energize downtown. The West Bank TIF District, which was created for redevelopment of the new stadium and Delano Catalyst sites, is included in the 2020 Proposed Budget. In an effort to enhance strategic planning of infrastructure improvements and to coordinate mobility efforts, the first step in transforming Wichita Transit into a Transportation Department. Collaboration is also underway with Public Works & Utilities with regard to planning and designing of transportation-related assets. Finally, partnerships with Wichita Public Schools (USD 259) and Wichita State University have improved bus ridership and revenue.

Well-Run City - Ongoing process improvement efforts have resulted in significant savings and efficiencies. Examples include updated approaches to employee recruitment, implementation of a new water billing system, rebuilding fleet heavy equipment, and pursuing cost savings when updating IT equipment. Access Wichita was launched to connect residents with resources and services and enables them to report non-emergency issues. This self-service portal streamlines the process of reporting problems and allows residents to access City services and view alerts from departments, as well as requests that have been previously submitted.

The 2020 Proposed Budget is funded with an estimated mill levy of 32.692 mills, equal to the 2019 rate. This taxing rate continues to be of one the lowest in the Metropolitan Statistical Area. The 2020 Proposed Budget is balanced and retains General Fund reserves estimated at $34.8 million.

BUILDING ON PAST ACHIEVEMENTS

Although the 2020 Proposed Budget process is forward-looking and provides an operating and financial plan, the development and presentation of the Budget is designed to build upon the many accomplishments over time. With prudent leadership and direction provided by the City Council, and a professional staff to implement that policy direction, some the accomplishments are as follows:

- The Advanced Learning Library opened in June 2018. This facility integrates technology and collaborative learning in order to provide a space for Wichitans of all ages to learn. Though the new facility was only open for six months in 2018, circulation and the number of registered borrowers for that year were the highest in at least six years.
- Park improvements that were funded from the sale of the Hyatt Hotel were unveiled in spring 2019. Improvements at Pawnee Prairie Park in southwest Wichita, which is the largest park in the system, expanded the park’s focus beyond horseback riding to include trails for cyclists, as well as a new playground. Pracht Wetlands Park in northwest Wichita is one of the few remaining urban wetlands in the Midwest. Designs for improvements at the Pracht Wetlands Park earned awards from the American Planning Association and the American Society of Landscape Architects.

Projects are underway to reinvest in current facilities that will have an impact on the operating budget. The Federal Aviation Administration awarded grants for $15.26 million to replace the center section of the Eisenhower National Airport’s longest and most important runway. Construction of a new baseball stadium to replace Lawrence-Dumont stadium is underway and will be completed by the 2020 baseball season. The Patrol East Station will be replaced at Cypress Park in order to accommodate current staffing levels at an up-to-date facility.

In the midst of such investment, the City of Wichita continued its focus on financial sustainability. As a reflection of solid financial management, the City maintained its General Obligation Bond Ratings of Aa+ from Standard & Poor’s Financial Services and Aa1 from Moody’s Investors Service, which results in lower borrowing costs.
CONCLUSION

Just as the Arkansas and Little Arkansas Rivers have maintained strength amidst Wichita's growth since the 1800’s, the 2020-2021 Proposed Budget has been developed to protect the City’s resources and provide continued financial sustainability.

The development of the Proposed Budget has been a collaborative effort, developed with considerable resident engagement. It reflects the City’s mission and core values, and is carefully assembled to address both present and future needs. Investments in innovation and continuing process improvements have resulted in significant savings and efficiency over the past decade. The 2020 Proposed Budget continues to fund initiatives that further the organization’s financial sustainability, regardless of economic conditions. Though the organization adapts and changes, like the Arkansas River, the services provided to residents will continue to provide resiliency to the community.

Sincerely,

Robert Layton
City Manager

Acknowledgements
The City’s 2020 Proposed Budget is based on the input and contributions of many individuals. Many City staff, including Department Directors and Assistant City Managers Donte Martin and Scot Rigby, 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. This staff is led by Finance Director Shawn Henning. Budget and Research Office staff includes Budget Officer Elizabeth Goltry, and analysts Trinh Bui, Lindsey Vogt, Allie Salz, Sean Sandefur, and Michelline Stokes. In addition, the communications staff in the City Manager’s Office were invaluable in efforts to engage residents throughout the budget process.
The City used an online budget simulator and a Social Media Town Hall to engage residents and gather their feedback on budget priorities. The budget simulation tool allowed residents to weigh in on how their tax dollars would be spent in the proposed 2020 operating budget. The simulator began by asking residents to enter the appraised value of their home so the program could calculate their property tax bill. The simulator defaulted to the average appraised value of a home in Wichita, or $137,000, if the user did not enter a value or does not own a home.

The online budget simulator focused on General Fund services, which were grouped by service area: Public Safety & Health; Park & Recreation; Police; Wichita Public Library; Streets & Transportation; Arts & Culture; and Support Services. As each participant progressed through the screens to make budget choices, the effect of each increase or decrease was displayed. Participants could move the slider to the right, as seen below with the green bars, in order to increase services. The impact on service levels from increased support was described in the impact statement. Similarly, residents could decrease support for a service (in red), or keep the level of support the same. Each time a slider bar was moved, the estimated tax bill (upper right) and increase or decrease summary (upper left) were updated. Before submitting results, participants could enter demographic information and provide comments.

The simulator was live from May 13, 2019 to June 15, 2019 at wichita.budgetsimulator.com. During that time, the simulator was completed 1,442 times. The service areas with the greatest increases were Fire and Medical Response, Police Emergency Response, and Persons Crimes Investigations.

After analyzing the results from the budget simulator, the City held a Social Media Town Hall event where residents were asked whether they supported the top ten and bottom five priorities identified through the budget simulator. The event took place on Facebook, Nextdoor, and Twitter.

Prior to the event, Facebook posts, Tweets, and a Nextdoor post were used to generate interest. There was a save-the-date posted on Facebook and Twitter that had a reach of 80,527 views. In total, there were 700 comments during the Social Media Town Hall, most of which were on Facebook. The feedback from the Budget Simulator and Social Media Town Hall was informative, particularly with regard to General Fund support for the Golf Fund.
2. Increasing Pavement Maintenance

**Issue** - The operating budget and Capital Improvement Program include significant and increasing levels of funding for pavement maintenance. Pavement maintenance is an untouchable activity, and is directly aligned to the City’s mission of building dependable infrastructure.

Maintenance of the City street network is directly linked to the City’s mission to build dependable infrastructure. Street maintenance is funded from both the operating budget and Capital Improvement Program. This is in addition to funding for residential street maintenance that was designated from some of the proceeds of selling the Hyatt hotel. Currently, $9 million is budgeted in 2019, but this amount is projected to rise to $18 million annually in 2028. The annual Outsourced Pavement Preservation Program (OP3) uses a data-driven strategy to determine which contracted street maintenance rehabilitation projects are to be completed each year—to maximize the return on investment in the City’s street network.

The investment in pavement maintenance, coupled with the data-driven approach to selecting locations and rehabilitation methods, has had a positive impact on the overall condition of Wichita’s street network. The Remaining Service Life in Lane Mile Years has increased from 42,101 in 2014 to 52,547 in 2018. During this period, the value of the paved street network increased from $444 million to $566 million.

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Total $30 million $104 million $134 million

Note: The Operating Budget amounts are based on the 2020–2021 Proposed Budget. The CIP amounts are based on the 2019—2028 Proposed CIP.

3. Investing in Efficiency

**Issue** - A projected General Fund surplus in 2019 provides an opportunity to invest in innovative ideas and improve City services. This will result in greater efficiency, better buffering departments from potential future budget constraints.

The City of Wichita has developed a culture of innovation and continuous process improvement. Employees have been encouraged to submit concepts that would result in ongoing cost savings. A few of the ideas that are funded in the 2019 Revised Budget are listed below.

Fire Department scheduling is critical to maintaining constant staffing. Not only is the current process labor intensive, available data to analyze leave time usage is very limited. Given that the Fire Department spends an average of $1 million annually (2016-18) for overtime, a 5.8% reduction in overtime spending would recover the annual cost of Fire Department scheduling software. Additionally, the Wichita Innovation Lab team plans to implement scheduling software for workgroups across the organization.

The Police Records Bureau is the custodian of criminal history files, many of which are paper. Digitizing Police records results in time savings due to easier retrieval. It also eliminates the risk of records being damaged or lost. Though staff currently scan an average of 83 boxes per year, it would take staff more than 11 years to digitize the files. An alternative proposed by the Police Department is to outsource scanning under a Kansas State Use Law contract.

The Remote-Controlled Tree Removal Grapple Saw is new technology that has been developed for tree limb removal. An operator controls the knuckle boom, and there is a grapple at the end of the saw for removal of limbs. This technology allows difficult limbs to be reached more easily and avoid operator injury. Normally, a crew of seven people is needed for tree removals; with this technology, only two people will be needed.

As ideas are identified during the data inventory in partnership with Wichita State University, an Innovation Fund is available to implement projects that might languish without a funding source. In addition to the usual contribution of $50,000 each year, the General Fund will provide a supplemental $400,000 in 2019 to fund future projects.
Budget Issues

4. Prioritizing Public Safety

**Issue** - Each time the City engages with its citizens, public safety is always cited as a top priority. To fulfill this desire for a safe community, investment in both Police and Fire has steadily increased each year. Both the Fire Department and Police Department continue to implement innovative approaches to keeping Wichitans safe.

The **Wichita Fire Department** responds to many call types. Over the past decade, non-emergent medical call volumes have increased significantly. Many of the non-emergency medical calls are for people in a mental crisis. In addition to the strain placed on Fire Department resources, the increasing number of calls indicates a need for medical and other care in the community. Many non-emergency calls are for recurring, but relatively minor issues. Often residents would benefit more from access to care provided by primary care physicians, dentists, mental health providers, or social service agencies, rather than emergency responders.

Recognizing that there are community needs that cannot be provided by emergency responders, the WFD reached out to other agencies that are similarly impacted by the increasing demand for non-emergent care. The Wichita Police Department (WPD), Sedgwick County Emergency Medical Services (EMS), COMCARE, Sedgwick County Sheriff’s Office (SCSO), and Sedgwick County Fire District #1 (SCFD), along with other partners, were engaged to develop an alternative approach to meeting these critical community needs.

The result of this collaboration is the Community Para-Medicine Program. The joint program will provide services through a pilot multi-disciplinary team composed of law enforcement, medical response, and social/mental health care providers.

Implementation of the Police Staffing study has allowed the **Wichita Police Department** to place a greater focus on community policing.

Crime data analysis is another focus of the Police Staffing study. A unit that includes a supervisor, four civilian crime analysts, and two Police Officers has been established. Located in the Records Bureau, the crime analysts use data to inform decision-making about how resources are allocated for investigations and beat patrol.

Detectives have been added to the Investigations Bureau in order to investigate more cases. A particular focus is cases involving exploited and missing children and human trafficking. In the Property Crime Bureau, technology is being implemented in order to improve solvability for cases involving theft.

5. Implementing Places for People Plan

**Issue** - In late 2015, the City and County adopted a new joint comprehensive plan called the Community Investments Plan 2015-2035. As part of this effort, an Urban Infill Advisory Committee was created to provide neighborhood and community perspectives and feedback on the City’s urban infill development. The resulting document, Wichita: Places for People infill plan, was approved on June 19, 2019 and is ready for implementation.

Wichita: Places for People is a master planning document meant to encourage population and employment growth, residential and commercial development and reinvestment in the older, mature neighborhoods of Wichita. It includes zoning recommendations and public investment strategies to help achieve these goals. The Established Central Area (ECA) was identified in order to focus development in the core of Wichita and help increase urban density. The ECA is 62 square miles and has a population of 216,000 people—more than half of Wichita’s population.

To support this effort, the City now takes the ECA into consideration when prioritizing capital improvement projects. If it is determined that a proposed project is within the ECA, it will be given higher priority and be better positioned to receive funding. The 2019-2028 Proposed CIP includes dozens of projects that have benefited from this prioritization tool, including road and sidewalk improvements, park enhancements, and new fire and police stations.

The Wichita City Council is also helping fund ECA improvements with a portion of a $1 million General Fund surplus. Investment in current infrastructure gaps, such as missing sidewalks and unpaved streets, will be provided in neighborhoods associated with infill development projects, similar to the investments the City has made through the Rock the Block Habitat for Humanity initiative. For example, CDBG funds were used to build $200,000 worth of stormwater drainage infrastructure and funded the paving of one block of 10th Street N., from Estelle to Green, which cost $98,432. This is the kind of investment the City will look towards while implementing the Wichita: Places for People infill plan.
6. Addressing Golf Fund Sustainability

**Issue** - For 100 years, the City of Wichita has provided public golf for local residents. Golf operations are meant to be self-supporting, but continued declines in rounds have led to overcapacity. As a result, the position of the Golf Fund is perilous, requiring continued adjustment of fees. Even with these changes, no financial capacity exists to fund debt payments or course improvements. To stabilize the Golf Fund and continue self-sustainability, the City Council voted to close L.W. Clapp Golf Course on June 18, 2019 and the 2020-2021 Proposed Budget includes the closure of all but one course during winter months.

The financial condition of Wichita’s golf system has been in a slow but continual decline for over a decade. Many strategies have been used during this time in an attempt to maintain financial sustainability. These strategies included increasing rates, enhancing customer service, expanding marketing, offering alternative services, purchasing modern carts, and promoting youth golfing. Despite these efforts, the Golf Fund’s condition has continued to deteriorate, jeopardizing the system’s ability to continue to provide public golf. The fundamental problem is that many Golf Fund expenditures are fixed (and not variable based on the number of rounds played), while the utilization of the golf system has continued to decline.

For at least the past decade, the number of rounds played has steadily fallen, leading to a decrease in course utilization. This is consistent with national trends. Since many costs are fixed, the system adopted several strategies to maintain operating margins. Fee increases were implemented in an attempt to maintain revenue growth in the face of declining rounds. Capital investment, both for course improvements and equipment, was deferred. Debt service payments to the City’s Debt Service Fund have been postponed. All of these strategies helped keep the Golf Fund solvent, but not without cost. Continued fee increases may have contributed to a decrease in rounds played. Deferring capital investment may have increased operating costs, and also contributed to the decline in rounds played by making City courses less attractive to golfers.

To stabilize the Golf Fund, there are three potential options: increase rounds; reduce fixed costs; and/or reduce capacity. As noted above, staff have been aggressively trying to increase rounds for the past five years, without success. This is likely due to societal and environmental factors that are not unique to Wichita.

To consider options to reduce capacity, a staff committee was formed to take a data-driven view of options. Both quantitative and qualitative criteria were established, through which the existing golf courses were analyzed. An empirical model was developed that evaluated the courses in terms of financial health, demand, the level of required capital investment, land restrictions, and redevelopment opportunities. A decision support tool was created by the Finance Department to help predict financial outcomes based on different scenarios. As a result of this staff analysis, the committee report recommended the closure of L.W. Clapp Golf Course, a strategy that was approved by City Council on June 18, 2019.

To reduce operating costs and increase revenue, Park and Recreation staff developed a variety of recommendations that are incorporated in the Proposed Budget. These include keeping only one course open during eight winter weeks and furloughing most Golf staff during this time. There will also be a new Golf pass model. Instead of season passes, golfers will be able to purchase annual memberships, paid on a monthly basis, that will give them access to all four courses. The membership fees vary based on age, and couples memberships are available. Park and Recreation expects this change to have a significant impact on revenue. This will be important to monitor, as the past eleven Golf seasons have seen expenditures grow at twice the rate of revenue.

The final day of operation at L.W. Clapp will be August 2, 2019. A master planning process for the site is still being completed. To date, there have been dozens of public meetings in order to engage residents about the future of this public asset. Initial designs for the park include disc golf, dog-friendly amenities, private development—including restaurants—as well as a large water feature with boat rentals. The objective of this community planning process is to ensure that L.W. Clapp Park continues to serve the community for generations to come.
The City of Wichita continues to fund capital improvements through a wide array of funding sources in order to maintain and enhance public assets. A scoring matrix is used to prioritize projects. The financial and operating impact of potential projects is a key element considered when developing the CIP. Examples of how capital projects have an impact on the operating budget vary.

The Eisenhower National Airport has received an FAA grant for $15.26 million. This funding will provide the majority of the cost to replace the center section of the airport's longest and most important runway, thus supporting the operating budget for Airport.

Following the opening of the Advanced Learning Library, a master plan for branch libraries was endorsed by the City Council on June 11, 2019. This master plan has led to $5.3 million in CIP funding for branch library improvements that will position all library locations for a future of both traditional and digital services.

On June 4, 2019, the Wichita City Council approved an update to the Aquatics Master Plan, which includes CIP funding for the renovation of six neighborhood pools, one of which has been in service for over 50 years, and the construction of six new splash pads. The renovated pools will use utilities and chemicals more efficiently—thus saving operating funds—and will enhance the overall experience for residents through new amenities and additional operating hours. Funding is included in the 2020-2021 Proposed Budget for operations and maintenance of the new facilities.

For more than 80 years, Lawrence-Dumont Stadium was a centerpiece for recreation and entertainment in the downtown area. Because of a sound capital maintenance program, the facility remained operational for all those years. However, as Wichita sets its sights on renewed development along the riverfront, the Wichita City Council decided it was time to invest in a brand new, a state-of-the-art stadium, which is expected to be completed in time for the 2020 season. The stadium will be maintained just as Lawrence-Dumont Stadium was, and preserved for future generations of sports fans.

In addition to these large capital assets, the 2019-2028 Capital Improvement Program includes millions more dollars to help support operating budget initiatives. This includes dollars for street maintenance, park facility improvements, athletic courts, Old Town parking improvements, cultural facilities, replacement of heavy equipment and the replacement of all Police stations and three Fire stations.
8. Continuing Commitment to Arts and Cultural Activities

Issue - The 2020 Proposed Budget continues the ongoing commitment to funding arts and cultural activities by increasing funding for agencies and restoring funding levels for Old Cowtown and CityArts.

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 mill has continued to provide funding for Arts and Cultural activities since 2006. The budget simulator and the Social Media Town Hall indicated that residents support the arts, but prioritize core services.

Due to funding restraints, staffing levels for Old Cowtown and CityArts were reduced in the 2019 Proposed Budget. However, funding was reinstated, which was offset by a reduction in street maintenance funding. Consistent with City Council direction, the 2020 Proposed Budget includes a total of $4,470,265, or the estimated equivalent of 1.24 mills, for arts funding. This includes $3,839,843 for Cultural Institution Grants. Feedback from the online Budget Simulator indicated that providing grants to arts and cultural agencies is one of the participants’ lowest priorities. During the Social Media Town Hall there was discussion about the impact arts and cultural institutions have on community vitality. However, participants were generally more supportive of the top priorities, such as public safety and street maintenance.

In the event of an economic downturn, community discussion regarding continued growth in funding for arts and cultural institutions will be required. Increases in arts and cultural funding have been tied to growth in assessed valuation, though that has not been the case with City of Wichita services that are also related to community vitality. It could be the case that a more holistic approach to prioritizing funding for those types of activities should be considered in the future.

9. Tailoring Library Branch Services

Issue - The new Advanced Learning Library is enhancing library services available to all residents. A new master plan for branch libraries builds upon these changes with a framework to focus services at branch libraries to meet the unique needs of their services areas.

To serve the community most effectively, “Focused on Community: A Master Plan for the City of Wichita’s Branch Library System, 2019-2023” identifies focus areas for each branch that align with the unique challenges and needs of each service area. Demographic data, as well as feedback from current users and a review by Wichita State University, informed the plan’s recommendations.

Two branches, Alford and Angelou, will enhance support for early literacy and school readiness in order to better prepare students for academic success. Due to higher than average unemployment rates in these service areas, workforce development will also be a focus at both branches. This includes providing public computing and technology assistance for job applicants while expanding the Library’s partnership with the Workforce Alliance of South Central Kansas. The Alford branch will also focus on K-12 student achievement while the Angelou branch prioritizes digital inclusion and African-American culture.

Priorities for the Evergreen branch align with a broader service plan for agencies operating in the Evergreen complex. Literacy services for all ages, digital inclusion, workforce development, small business support and Hispanic education activities will be focus areas for this location.

Focus areas for the Linwood branch include roles as a computing hub and popular materials center. The plan calls for relocating this branch into Southeast Wichita, an area currently without convenient access to public library service.

Rockwell and Westlink are full-service branches with visitation and circulation rates that rival the former Central Library. The focus of these branches will be service for children and families, digital inclusion, lifelong learning and leisure services.

The five-year master plan includes recommendations for capital improvements, as well as process improvements and policy changes. Staffing and funding levels for library branches remain constant in the 2020-2021 Proposed Budget.
Operations in 16 departments plus the City Council are funded by the 2020 Proposed Budget. Brief reviews of each department are provided in this section. Some departmental budgets and individual funds reflect growth in expenditures to achieve specific service outcomes.

**AIRPORT**—The 2020 Proposed Budget includes $33,361,871 in expenditures for the Airport Fund. Airport seeks to provide a safe, efficient, customer friendly, and fiscally responsible airport system that serves the airport tenants, airport users, and the public. The new Dwight D. Eisenhower National Airport terminal opened in June 2015. In 2018, there were 832,831 enplaned passengers that utilized the services of Airport, which was a 2.3% increase over 2017. Federal Aviation Administration awarded grants for $15.26 million to replace the center section of the Eisenhower National Airport’s longest and most important runway.

**CITY MANAGER’S OFFICE**—The 2020 Proposed Budget includes a total of $17,070,347, including $13,736,920 from the General Fund with $4,645,252 to finance operations in the City Manager’s Office; and $9,091,668 to support Art and Cultural Services. The City Manager’s Office seeks to provide professional leadership and management for the City of Wichita. Through this leadership and management, City Council and community priorities are promoted, community engagement remains at the center of the decision-making and resource allocation process, and cultural amenities are made available to the residents. In July 2019, the Customer Care Center launched AccessWichita which provides residents access the City services and information.

**FINANCE**—The 2020 Proposed Budget for Finance includes a total of $181,651,451, with $6,441,748 from the General Fund. The Finance Department seeks to maintain a sound framework for managing financial resources for the provision of City services. Over the next year, Finance staff in multiple divisions will be involved with implementation of the new Finance/Payroll/HR ERP, and Budget Office staff will help departments look deeper at organization-wide and interdepartmental concerns identified during the City’s Zero-Based Budget review.

**FIRE**—The 2020 Proposed Budget for the Fire Department is $50,911,687, with $860,129 from grants and the balance from the General Fund, $50,051,558. The Fire Department seeks to provide Wichita with excellent, proactive fire and life safety through prevention, education, and protection services. A quick response to fire and medical emergencies minimizes the risk of loss of life and property damage. The City has collaborated with Sedgwick County to create the Integrated Care Team (ICT) community para-medicine program that will provide an alternative approach to community needs that cannot be met by first responders.

**HOUSING AND COMMUNITY SERVICES**—The 2020 Proposed Budget for Housing and Community Services is $23,186,417, of which $22,591,145 comes from grants, $212,536 from the General Fund and $382,736 from the Homelessness Fund. The Housing and Community Services Department seeks to impartially stabilize neighborhoods by administering various affordable housing programs and providing well-being services to help residents break cycles of poverty. Housing and Community Services is primarily supported by federal grants, which can fluctuate and increase the difficulty of long-term planning. High priority activities through 2024 will consist of infrastructure, infill housing development and homeownership, home repair, and public services including youth programming, domestic violence shelter services, and neighborhood assistance.

**HUMAN RESOURCES**—The 2020 Proposed Budget for Human Resources is $1,797,994, which is completely from the General Fund. The Human Resources Department supports City departments by ensuring a diverse, inclusive, and well-trained workforce. Human Resources will continue to monitor industry trends to support hiring and training strategies. HR is partnering with Finance to implement the new Finance/Payroll/HR ERP system.

**INFORMATION TECHNOLOGY**—The Information Technology Fund budget will be $14,815,343 in 2020. The Information Technology Department seeks to provide cost-effective and competitive solutions, achieve operational excellence, and deliver strategically aligned technology and innovative solutions. Technology management and improvements support the efforts of every City service. Information Technology staff provide support to operating departments when technology systems are replaced and updated. Current projects in 2019 and 2020 focus on three large system upgrade projects: Finance, and HR/payroll (ERP), Records Management System (RMS for Police and RMS for Court) and the launch of an enterprise Customer Relationship Management (CRM) online system to greatly enhance online and self-service customer experiences.

**LAW**—The 2020 Proposed Budget for Law is $3,155,990 with $3,009,201 from the General Fund and $146,789 from the Grant Funds. The Law Department seeks to represent the City in legal actions, provide legal advice, and manage the City’s diversion and deferred judgment programs. Law Department staff will be evaluating the optimal levels of in-house and third-party counsel to represent the City. Since 2016, there has been an increase in Kansas Open Records Act requests and staff is working to implement an online records management system to streamline the fulfillment process.
The 2020 Proposed Budget for Library services totals $9,767,191, of which $9,492,191 comes from the General Fund and $275,000 from the Grant Funds. The Library Department has had significant change in the last three years as a result of opening the Advanced Learning Library in June 2018. Zero Based Budgeting efforts have complimented this change, with added technology like portable devices that enable staff assist borrowers throughout the library, and self-service printing. Library’s goals now focus on creating early readers and digital inclusion as top priorities.

The 2020 Proposed Budget for MABCD totals $6,094,300, with $1,114,645 from the City’s General Fund, $4,849,655 from the MABCD Fund, and $100,000 from the Community Development Block Grant. MABCD seeks to ensure that all residential and commercial structures and properties are properly and safely planned, built, and maintained within Wichita and Sedgwick County using national best practices, while providing fair and equitable rules for the local building industry.

The 2020 Proposed Budget for MAPD totals $2,051,625 with $1,587,227 for Planning Services and $464,398 for the Zoning Enforcement Program. MAPD seeks to provide professional planning services to the community regarding land use, community facilities, and infrastructure needs so that the Wichita/Sedgwick County metropolitan area continues to be a quality place to live, work, and play.

The 2020 Proposed Budget for Municipal Court is $11,513,204, with $7,826,077 from the General Fund and $3,687,127 from the Special Alcohol and Drug Programs Fund. Municipal Court seeks to impartially uphold the City of Wichita Municipal Code and facilitate the interests of justice in a thorough and fair manner. Municipal Court will implement paperless workflow in 2019 and 2020. This department will take advantage of workflow software available within the organization. Responsibility for the Special Alcohol and Drug Abuse Programs Fund was transferred from the City Manager’s Office to Municipal Court in 2018. Special courts and alternative sentencing options will continue to be evaluated in the context of a holistic systems approach that is managed by Municipal Court.

The 2020 Proposed Budget for Park and Recreation totals $21,853,340, with $17,712,112 from the General Fund and $4,141,227 or 19% from other funds. Park and Recreation seeks to provide high-quality life experiences to the Wichita community through the enhancement of world-class amenities and activities.

The 2020 Proposed Budget for Police services includes $94,177,773, of which $93,827,914 from the General Fund and $349,859 from Grant Funds. The Police Department provides professional and ethical public safety services in partnership with citizens, and identifies, prevents, and solves the problems of crime, fear of crime, social disorder, and neighborhood decay, thereby improving the quality of life in Wichita. Police services help ensure physical safety and protect both public and private property.

The 2020 Proposed Budget for Public Works & Utilities includes $274,393,833, with $38,285,780 from the General Fund, $150,874,686 from the Sewer and Water Funds, and $85,233,367 from a combination of grants and other funds. The Public Works & Utilities Department seeks to plan, design, construct, and maintain Wichita’s transportation, drainage, water, and wastewater infrastructure, as well as its public buildings and vehicles, and to protect and preserve the environment. Protecting public infrastructure can help lower long-term maintenance costs and protect the environment. Public Works & Utilities will continue to allocate resources to priority areas in the community, such as street maintenance.

The 2020 Proposed Budget for the Transportation Department includes $6,603,697 in the Transit Fund, $2,250,262 in the Downtown Parking Fund, and $9,157,962 from grants for a total of $18,011,921. In December 2016, the City Council approved $1 million annually for four years in order to subsidize Wichita Transit. These funds will work in unison with the Transit Sustainability Plan, an effort to bolster ridership through new initiatives and promote the long-term sustainability of Transit services.