



2017-2018

# PROPOSED BUDGET

## OVERVIEW



*Serving You, In Many Ways, Every Day*



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## 2017-2018 Budget Highlights

- ◆ **The mill levy rate is unchanged.** The budget is based on an estimated mill levy rate equal to last year's rate. This is the 23rd consecutive year the mill levy has remained stable.
- ◆ **Reserves are maintained at appropriate levels.** The budget includes General Fund reserves of \$27.9 million, which is greater than 10% of projected expenditures, in accordance with City Council policy.
- ◆ **Community involvement helped shape budget recommendations.** Staff engaged with the community through the June 14 Social Media Town Hall event, which had record levels of participation. Staff also presented information through traditional meeting channels, attending District Advisory Board meetings in each City Council district. This feedback has helped shape budget recommendations and strategies, as well as future programming and planning efforts.
- ◆ **Transit service levels are maintained, but the long-term future remains unsustainable.** The Transit budget is forecasted to be sustainable through 2019, through the depletion of grant carry-forward balances. However, without an additional funding source, Transit is unlikely to be sustainable in the long-term.
- ◆ **Parking and mobility will be combined.** In order to develop and implement a more comprehensive approach to mobility options, particularly in downtown in coordination with transit, a position is moved to the Parking Fund to coordinate efforts.
- ◆ **The Police Department is expected to reach full staffing.** In order to increase the on-street presence and further improve community policing efforts, the Police Department expects to fill all funded positions by 2017. Additionally, the Police Department has applied for a Community Oriented Policing Services (COPS) grant through the US Department of Justice to fund authorized positions that lacked funding due to budget constraints.
- ◆ **The cultural arts plan is funded.** The budget includes \$4.3 million to fund the City's cultural arts plan, which includes funding for cultural institutions, as well as grants to a variety of organizations in the community.
- ◆ **Funding for downtown development will increase.** Increased funding from the Self-Supporting Municipal Improvement District (SSMID) is recommended. This will require a one mill increase in the levy on properties within the SSMID. The funding will enhance efforts by the Wichita Downtown Development Corporation to improve and beautify downtown, particularly along the Douglas Avenue corridor. The mill levy increase is a three-year pilot program.



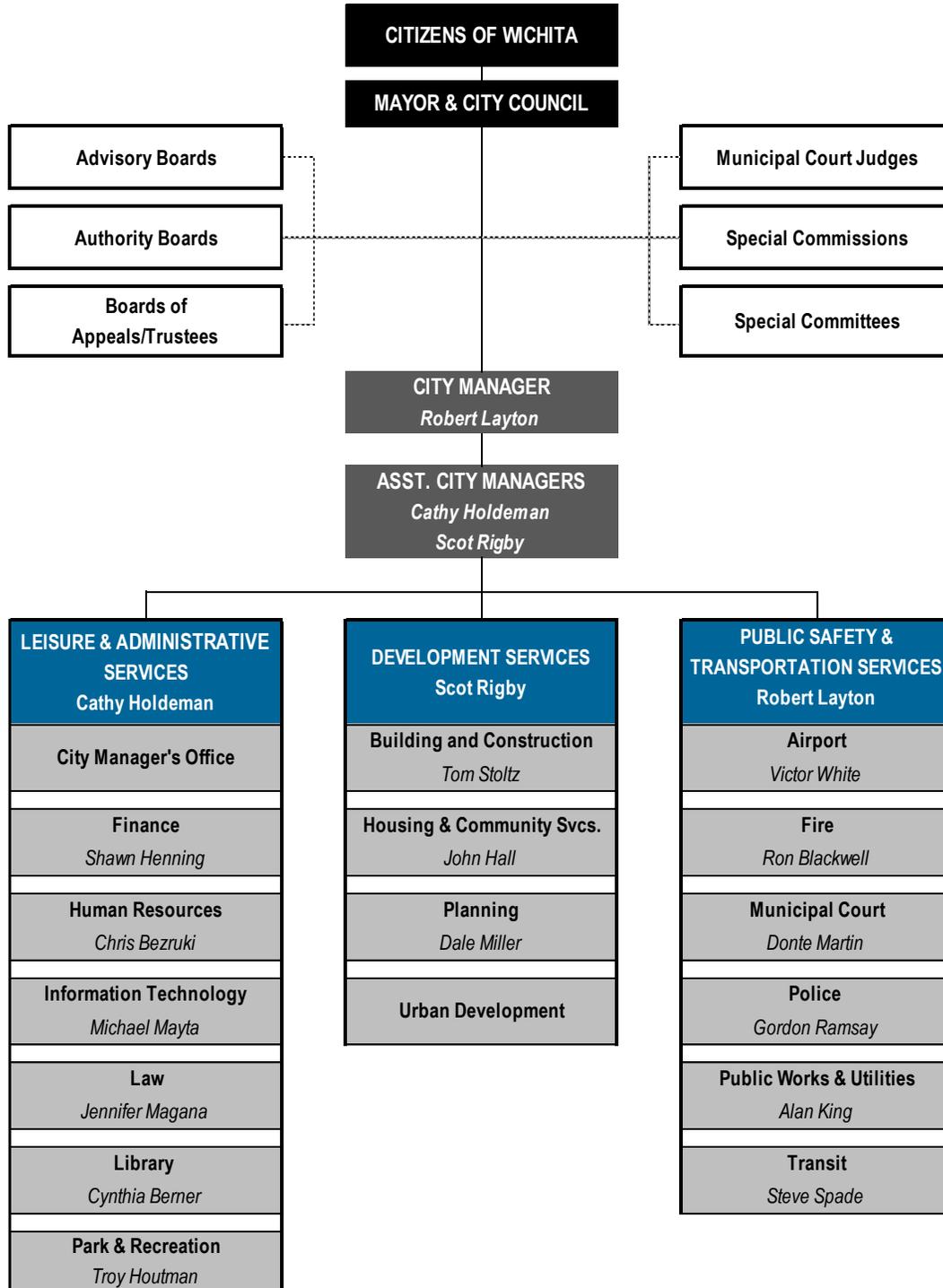
## 2017-2018 Budget Development Calendar

The ongoing budget process from initial planning to the first day of an adopted budget is approximately 23-26 months. For example, the City started planning for 2017 in late 2015. The key dates for the 2017-2018 Budget are shown below. Dates with asterisks are broadcast on CityChannel7 and streamed on the internet.

<b>January - February</b>	Staff budget committee develops and reviews operational suggestions by City employees
<b>March - April</b>	Budget staff review Strategic Operating Plans submitted by departments
<b>April - May</b>	City Manager meets with Departments and Budget Office staff to develop recommendations
<b>June 14</b>	Social Media Town Hall #ictbudget16
<b>June 21 *</b>	Budget presentation at the City Council Workshop
<b>July 5-6, 11</b>	Budget presentations to District Advisory Boards
<b>July 12 *</b>	City Manager formally presents budget document to City Council. City Council holds a first public hearing and authorizes publication (sets maximum taxes levied)
<b>August 2 *</b>	Public hearing at the City Council meeting
<b>August 9 *</b>	Final public hearing and adoption of the 2017-2018 operating budget at the City Council meeting
<b>August 25</b>	Certification forms for the 2017 budget are filed with the Sedgwick County Clerk
<b>November</b>	Final assessed valuation is recorded and mill levies are calculated by the Sedgwick County Clerk
<b>January 1, 2018</b>	Fiscal Year 2018 begins

*\* Shown live on City Channel 7 or via streaming video on [www.wichita.gov](http://www.wichita.gov)*

# Organization Chart





## **At-Large: Mayor Jeff Longwell**

Jeff Longwell has been Mayor of the City of Wichita since April 2015 and is currently serving in his first term. Previously, he was elected and served two terms as a Council Member from April 2007 to April 2015. He is actively involved in St. Francis of Assisi Parish, the Knights of Columbus, and served 12 years on the Maize Board of Education. He received his education from Wichita West High School and Wichita State University. Mayor Longwell is currently owner of AdAstra Print Resources and has worked in the graphics business for more than 30 years. He is married and has three children and two grandchildren.



## **District 1: Vice Mayor Lavonta Williams**

Lavonta Williams has been a Council Member since June 19, 2007. She is a lifelong Wichitan and graduate of Emporia State University. Vice Mayor Williams was an educator in the Wichita Public Schools for 35 years prior to joining the City Council. She served faithfully on the District 1 Advisory Board, is presently Chair of the National League of Cities Community & Economic Development Steering Committee, and is Secretary for the National Black Caucus of Local Elected Officials. Her engagement in the community consists of serving on many boards, including the Wichita Downtown Development Corporation, the Arts Council, Sedgwick County Criminal Justice Coordinating Council, and many more. She and her husband, Billy, have two sons and four grandchildren.



## **District 2: Pete Meitzner**

Pete Meitzner has been a Council Member since April 2011 and is currently serving his second term. He is a lifelong Wichitan and is a graduate of Wichita State University. Council Member Meitzner worked in the banking industry prior to founding and operating a telecom company. He is active in the community at-large, and within the business community, serving on numerous civic and non-profit boards. He currently serves on the National Center for Aviation Training Authority Board and the Cerebral Palsy Research Foundation and is a past President of the Lord's Diner Advisory Board. He and his wife have two children.



## **District 3: James Clendenin**

James Clendenin has been a Council Member since April 2011. He is a graduate of Halstead High School and attended Hesston College and Hutchinson Community College. He worked in the aircraft composites business for over 14 years. He is the Mayor's appointee and Chair of the Sedgwick County Association of Cities. James serves on the Historic Wichita Cowtown, Inc. Advisory Board and on the Interfaith Ministries Board. He is a member of the National League of Cities Community & Economic Development Steering Committee and has served as an Assistant Scoutmaster in Boy Scouts of America. He is married and has three children.



## **District 4: Jeff Blubaugh**

Jeff Blubaugh has been a Council Member since April 2013. He holds undergraduate and graduate degrees from Friends University, previously worked in sales for the Cessna Aircraft Company, and sells real estate for Keller Williams Hometown Partners. He is actively involved with the community as a member of Lions Club International, the South YMCA Board, and numerous other organizations. Jeff formerly served on the Goddard School Board, the Goddard Football Board, and as the Goddard Junior High Football Coach. He and his wife have four children.



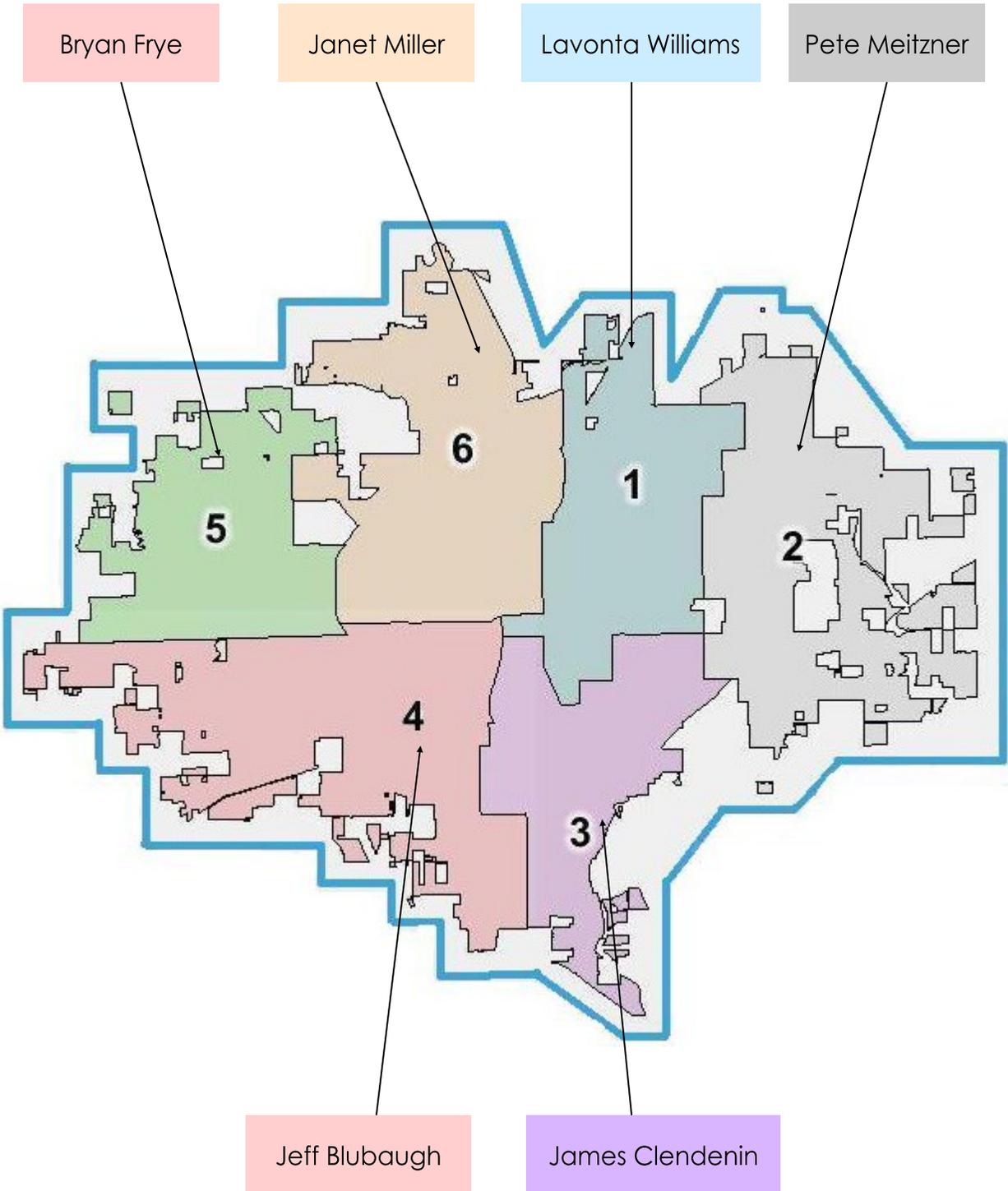
## **District 5: Bryan Frye**

Bryan Frye has been a Council Member since April 2015 and is currently serving in his first term. A lifelong Wichitan, Bryan graduated from Wichita State University with a Bachelor of the Arts degree in Marketing. He recently retired from a 24-year career in local television marketing and is currently the marketing director of a local distribution company. Prior to being elected, he served eight years on the District V Advisory Board and eight years on the Wichita Board of Park Commissioners. Bryan is currently a board member of the Wichita Area Metropolitan Planning Organization and Historic Wichita Cowtown, Inc. He has also held leadership positions for numerous non-profit groups over the years, including Botanica, Music Theatre Wichita, Big Brothers Big Sisters of Sedgwick County, the Wichita State Alumni Association and the Wichita Wagonmasters. He and his wife have two children.



## **District 6: Janet Miller**

Janet Miller has been a Council Member since April 2009. Prior to joining the Wichita City Council, she served as a member of the District 6 Advisory Board and as President of the Wichita Board of Park Commissioners. A graduate of Kansas State University, Janet is engaged in the community serving on several boards, including Botanica, Wichita Downtown Development Corporation, Wichita Area Metropolitan Planning Organization, and the Old Town Association. She and her husband Nile reside in Historic Midtown.





## City Council Members

<i>Jeff Longwell</i>	Mayor	268-4331	455 N. Main, 67202
<i>Lavonta Williams</i>	Vice Mayor (I)	303-8018	*2755 E. 19th, 67214
<i>Pete Meitzner</i>	Council Member (II)	268-4331	455 N. Main, 67202
<i>James Clendenin</i>	Council Member (III)	303-8029	*2820 S. Roosevelt, 67210
<i>Jeff Blubaugh</i>	Council Member (IV)	268-4331	455 N. Main, 67202
<i>Bryan Frye</i>	Council Member (V)	268-4331	455 N. Main, 67202
<i>Janet Miller</i>	Council Member (VI)	303-8042	*2700 N. Woodland, 67207

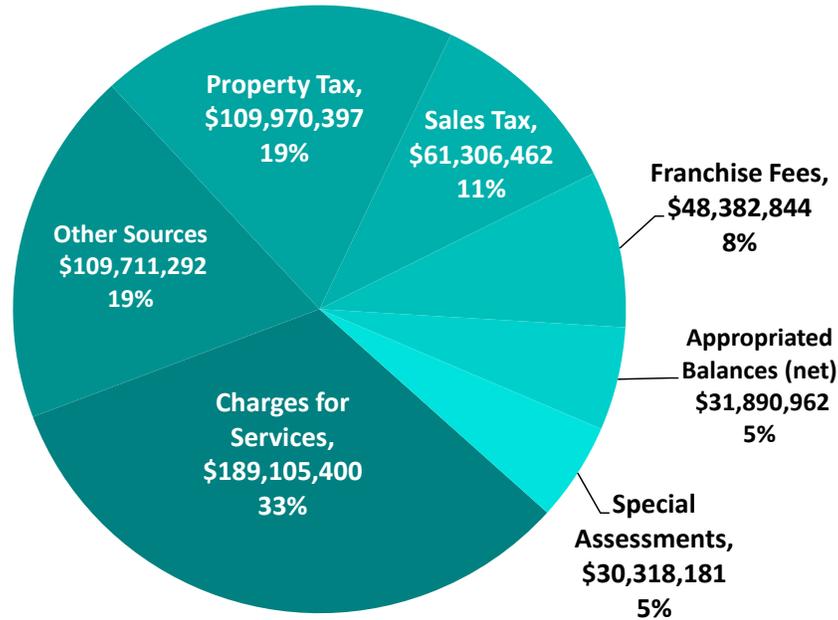
Note: \*Council Members can be reached at the Neighborhood Resource Centers, as well as City Hall at 455 N. Main, 268-4331.

## City Departments & Directors

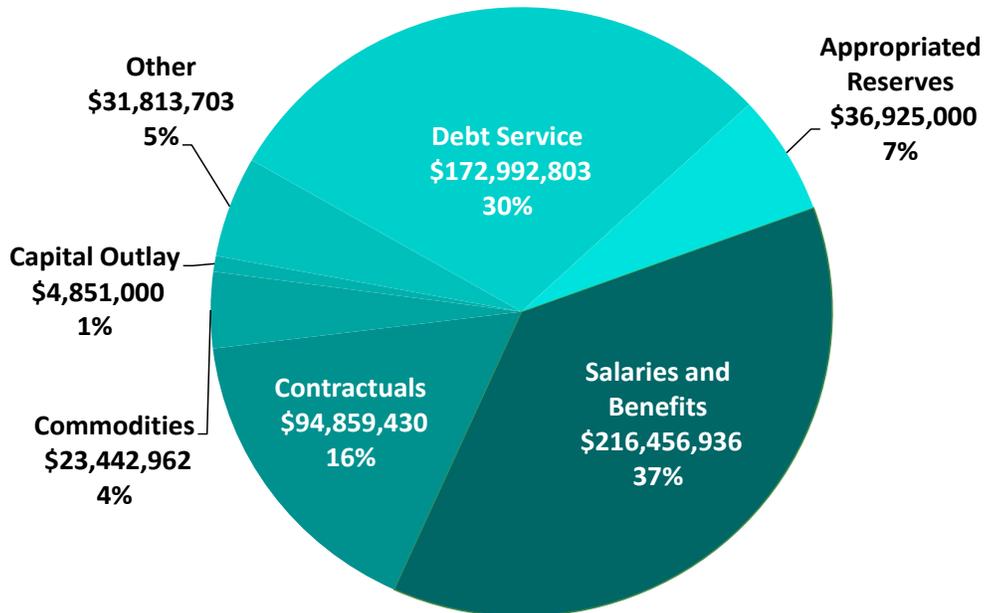
City Manager's Office	268-4351	<i>Robert Layton</i> , City Manager <i>Cathy Holdeman</i> , Assistant City Manager <i>Scot Rigby</i> , Assistant City Manager
Airport	946-4700	<i>Victor White</i> , Director
Building and Construction	268-4460	<i>Tom Stolz</i> , Director
Finance	268-4300	<i>Shawn Henning</i> , Director
Fire	268-4451	<i>Ron Blackwell</i> , Fire Chief
Housing & Community Services	462-3700	<i>John E. Hall</i> , Director
Human Resources	268-4531	<i>Chris Bezruki</i> , Director
Information Technology	268-4318	<i>Michael Mayta</i> , Chief Information Officer
Law	268-4681	<i>Jennifer Magana</i> , Director of Law & City Attorney
Library	261-8500	<i>Cynthia Berner</i> , Director
Municipal Court	268-4611	<i>Donte Martin</i> , Court Administrator
Park & Recreation	268-4628	<i>Troy Houtman</i> , Director
Planning	268-4490	<i>Dale Miller</i> , Director
Police	268-4158	<i>Gordon Ramsay</i> , Chief of Police
Public Works & Utilities	268-4664	<i>Alan King</i> , Director
Transit	265-1450	<i>Steve Spade</i> , Director



### Where City of Wichita Dollars Come From ALL FUNDS 2017 PROPOSED, \$580,585,538



### Where City of Wichita Dollars Go ALL FUNDS 2017 PROPOSED, \$580,585,538



# All Funds Revenue Source by Type



## FINANCIAL SUMMARIES

ALL FUNDS - REVENUE SOURCES BY TYPE	2015 ACTUAL	2016 ADOPTED	2016 REVISED	2017 PROPOSED	2018 PROJECTED
Property Taxes	\$106,705,604	\$107,703,260	\$107,062,248	\$109,870,397	\$113,218,334
Motor Vehicle Taxes	14,731,696	15,347,603	15,347,006	15,807,292	16,281,512
Local Sales Taxes	57,630,063	59,314,105	59,535,096	61,306,462	63,224,590
Motor Fuel Taxes	14,616,935	14,341,473	14,767,138	14,913,809	15,061,946
Other Taxes	13,238,286	12,878,478	13,025,628	13,415,910	13,876,283
Franchise Fees	44,304,703	49,201,537	46,510,904	48,382,844	49,799,477
Special Assessments	29,782,900	32,346,361	29,164,253	30,318,181	31,272,960
Licenses and Permits	7,736,393	7,939,818	7,599,940	2,949,884	3,231,384
Charges for Services	236,038,391	265,043,339	258,963,079	269,134,700	280,346,050
Rental Income	33,166,372	33,648,615	34,874,546	35,271,739	35,635,685
Transfers In	38,415,276	39,459,240	37,306,051	39,377,718	38,360,677
Interest Earnings	2,329,355	2,056,279	1,925,500	2,125,500	2,175,500
Other Revenues	34,884,076	30,928,435	28,490,095	32,614,659	39,338,898
<b>Total All Funds Revenue</b>	<b>633,580,051</b>	<b>670,208,542</b>	<b>654,571,485</b>	<b>675,489,095</b>	<b>701,823,296</b>
Less: Interfund Transactions	117,153,574	126,612,975	120,575,426	126,794,520	129,936,941
<b>Net Annual Budget Sources</b>	<b>\$516,426,477</b>	<b>\$543,595,567</b>	<b>\$533,996,058</b>	<b>\$548,694,575</b>	<b>\$571,886,356</b>

*Note: Totals exclude Trust Funds, Agency Funds and Capital Project Funds.*

# All Funds Expenditures by Category



## FINANCIAL SUMMARIES

ALL FUNDS - EXPENDITURES BY CATEGORY	2015 ACTUAL	2016 ADOPTED	2016 REVISED	2017 PROPOSED	2018 PROJECTED
110 Regular Salaries	\$133,061,604	\$146,950,467	\$146,834,730	\$150,955,934	\$155,446,059
120 Special Salaries	4,615,787	6,090,175	3,681,378	3,661,214	3,721,417
130 Overtime	6,366,277	3,689,270	3,761,854	3,772,249	3,802,576
140 Employee Benefits	57,919,895	66,276,711	64,706,890	67,289,474	70,564,356
150 Shrinkage	0	(11,015,940)	(9,142,041)	(9,221,935)	(9,756,049)
<b>Salaries and Benefits</b>	<b>201,963,563</b>	<b>211,990,683</b>	<b>209,842,811</b>	<b>216,456,936</b>	<b>223,778,359</b>
210 Utilities	18,978,331	22,493,164	21,480,424	22,089,540	22,786,579
220 Communications	2,451,743	2,483,973	2,578,756	2,542,402	2,558,538
230 Transportation and Training	485,519	894,381	766,409	738,648	745,748
240 Insurance	2,537,807	2,536,644	2,660,554	2,613,332	2,644,001
250 Professional Services	31,675,240	31,610,379	36,211,888	33,074,583	35,905,402
260 Data Processing	8,149,948	9,268,801	9,048,236	9,142,603	9,373,236
270 Equipment Charges	9,654,009	9,438,388	10,598,969	10,605,749	10,611,105
280 Buildings and Grounds Charges	2,825,216	3,098,933	3,394,112	3,337,182	3,338,447
290 Other Contractuals	7,539,064	9,886,170	10,907,037	10,715,391	10,721,256
<b>Contractuals</b>	<b>84,296,878</b>	<b>91,710,833</b>	<b>97,646,383</b>	<b>94,859,430</b>	<b>95,684,312</b>
310 Office Supplies	528,665	518,321	547,475	528,621	528,621
320 Clothing and Towels	799,305	744,718	786,298	792,055	791,755
330 Chemicals	3,886,608	4,514,910	4,525,378	4,517,625	4,517,625
340 Equipment Parts and Supplies	10,311,575	8,878,074	10,684,610	10,863,672	11,115,095
350 Materials	2,585,912	2,859,979	2,189,608	2,179,101	2,179,101
370 Building Parts and Materials	369,634	498,478	555,893	573,393	573,393
380 Non-capitalizable Equipment	2,548,462	3,300,968	3,133,468	3,068,101	3,061,001
390 Other Commodities	(943,290)	1,046,670	950,617	920,395	920,363
<b>Commodities</b>	<b>20,086,871</b>	<b>22,362,117</b>	<b>23,373,347</b>	<b>23,442,962</b>	<b>23,686,953</b>
410 Land	49,471	54,000	250,000	0	0
420 Buildings	61,500	0	0	0	0
430 Improvements Other Than Bldgs.	0	0	0	0	0
440 Office Equipment	41,741	160,000	200,000	150,000	150,000
450 Vehicular Equipment	2,418,684	2,094,500	1,191,000	1,427,000	1,753,000
460 Operating Equipment	2,684,183	2,607,500	3,627,000	3,274,000	2,973,000
<b>Capital Outlay</b>	<b>5,255,579</b>	<b>4,916,000</b>	<b>5,268,000</b>	<b>4,851,000</b>	<b>4,876,000</b>
510 Interfund Transfers	6,027,173	15,557,889	9,989,667	12,163,198	9,756,364
520 Debt Service	173,794,490	167,903,375	157,497,715	172,992,803	178,218,307
530 Other Nonoperating Expenses	6,624,964	51,896,129	12,998,487	48,863,695	16,498,573
540 Inventory Accounts	4,705,375	7,050,574	6,833,376	6,955,513	7,061,230
550 Inventory Accounts	0	0	0	0	0
<b>Other</b>	<b>191,152,003</b>	<b>242,407,966</b>	<b>187,319,245</b>	<b>240,975,209</b>	<b>211,534,474</b>
<b>Total All Fund Expenditures</b>	<b>\$502,754,894</b>	<b>\$573,387,600</b>	<b>\$523,449,786</b>	<b>\$580,585,538</b>	<b>\$559,560,098</b>

*Note: Totals do not include the General Fund appropriated balance reserve. Trust Funds, Construction Funds and Agency Funds are also excluded.*

# All Funds Expenditures by Fund



## FINANCIAL SUMMARIES

ALL FUNDS - EXPENDITURES BY FUND	2015 ACTUAL	2016 ADOPTED	2016 REVISED	2017 PROPOSED	2018 PROJECTED
100 General	\$217,860,037	227,158,341	225,292,252	231,078,516	237,722,275
300 Debt Service	111,001,919	95,894,939	87,351,926	96,388,475	91,982,879
<b>Total Tax Levy Funds</b>	<b>328,861,956</b>	<b>323,053,280</b>	<b>312,644,178</b>	<b>327,466,991</b>	<b>329,705,154</b>
350 Cemetery	60,483	91,146	103,375	111,159	111,159
209 Homelessness Assistance	307,251	382,736	382,736	382,736	382,736
215 Tourism & Convention Promotion	7,546,357	8,549,309	8,499,807	8,650,406	7,306,925
220 Special Alcohol Programs	1,827,756	2,294,322	2,194,587	2,536,810	2,036,810
225 Special Parks & Recreation	1,910,000	1,915,000	1,910,000	2,180,000	2,273,548
230 Landfill	1,903,415	4,577,484	2,035,771	3,378,499	2,022,032
231 Landfill Post Closure	520,814	10,956,265	1,283,478	10,696,145	1,309,037
235 Metropolitan Area Building/Construction	5,569,969	6,813,171	6,309,264	5,324,068	3,825,374
236 Economic Development	2,229,159	3,361,890	2,094,346	3,678,689	1,315,514
237 Sales Tax Construction Pledge	29,070,714	37,098,975	32,478,975	36,394,376	32,612,296
238 Downtown Parking	956,295	2,501,923	1,496,353	2,700,925	1,502,449
245 State Office Building Complex	310,258	0	1,770,391	970,869	970,869
255 TIF Districts	5,641,991	26,786,721	12,006,814	23,407,738	11,547,538
260 Self-Supporting Municipal Improvement Dist.	588,689	622,810	581,949	675,245	694,707
265 City/County Joint Operations	3,563,149	3,842,994	3,669,064	3,675,835	3,759,476
<b>Total Special Revenue Funds</b>	<b>62,006,570</b>	<b>109,794,747</b>	<b>76,816,910</b>	<b>104,763,500</b>	<b>71,670,469</b>
500 Airport	26,626,837	29,324,932	30,416,459	31,144,207	31,512,498
515 Golf Course	4,693,605	5,643,198	4,937,302	5,162,777	5,253,124
520 Transit	4,937,575	5,808,856	5,545,676	5,554,209	5,726,370
530 Sewer Utility	46,418,735	53,142,851	53,126,325	58,648,780	64,643,526
540 Water Utility	73,684,102	85,075,156	85,074,459	89,804,854	94,994,532
560 Stormwater Utility	10,707,251	17,160,226	10,090,427	14,954,875	10,397,641
<b>Total Enterprise Funds</b>	<b>167,068,105</b>	<b>196,155,220</b>	<b>189,190,648</b>	<b>205,269,703</b>	<b>212,527,692</b>
600 Information Technology	10,690,452	10,850,960	10,973,275	11,110,169	11,375,521
605 Fleet	14,552,942	16,356,959	15,071,770	15,893,262	15,746,391
620 Self Insurance	51,334,518	58,340,693	57,575,359	61,314,784	64,889,669
<b>Total Internal Service Funds</b>	<b>76,577,912</b>	<b>85,548,611</b>	<b>83,620,404</b>	<b>88,318,215</b>	<b>92,011,581</b>
<b>Gross Expenditures</b>	<b>634,514,543</b>	<b>714,551,858</b>	<b>662,272,140</b>	<b>725,818,409</b>	<b>705,914,897</b>
<b>Less: Interfund Transactions</b>	<b>131,759,649</b>	<b>141,164,258</b>	<b>138,822,354</b>	<b>145,232,871</b>	<b>146,354,797</b>
<b>Net Annual Budget Uses</b>	<b>\$502,754,894</b>	<b>\$573,387,600</b>	<b>\$523,449,786</b>	<b>\$580,585,538</b>	<b>\$559,560,098</b>

Note: Totals do not include the General Fund appropriated balance reserve. Trust Funds, Construction Funds and Agency Funds are also excluded.

# Multi-Year Fund Overview - General Fund



## FINANCIAL SUMMARIES

GENERAL FUND REVENUE	2015 ACTUAL	2016 ADOPTED	2016 REVISED	2017 PROPOSED	2018 PROJECTED
<b>Budgeted Revenues</b>					
Property Taxes	\$73,908,585	\$74,048,618	\$74,114,944	\$75,944,020	\$78,286,839
Motor Vehicle Taxes	10,872,068	11,333,528	11,336,703	11,677,933	12,028,272
Local Sales Taxes	28,638,617	29,558,016	29,567,548	30,453,231	31,412,295
Motor Fuel Taxes	14,616,935	14,511,473	14,767,138	14,913,809	15,061,946
Liquor Taxes	1,963,335	1,962,029	2,011,079	2,082,903	2,176,634
Franchise Fees	44,304,262	49,201,538	46,510,904	48,382,844	49,799,477
Licenses and Permits	2,317,736	2,837,894	2,680,126	2,947,234	3,228,734
Charges for Services	15,890,254	16,962,699	17,174,710	17,532,440	17,546,440
Rent Income	2,375,230	2,326,167	2,394,701	2,393,751	2,393,751
Transfers In	4,983,720	4,556,939	4,882,446	5,000,750	5,651,067
Interest Earnings	1,475,455	1,049,332	1,200,000	1,200,000	1,200,000
Other Revenue	17,539,507	18,810,108	18,651,953	18,549,601	18,936,820
<b>Total General Fund Revenues</b>	<b>218,885,704</b>	<b>227,158,341</b>	<b>225,292,252</b>	<b>231,078,516</b>	<b>237,722,275</b>
<b>Budgeted Expenditures</b>					
City Council	733,188	820,366	799,556	1,006,357	1,019,837
City Manager	10,516,809	10,734,508	10,971,009	11,102,549	11,333,594
Finance	4,274,676	5,131,147	5,107,910	5,129,213	5,207,949
Fire	43,444,541	45,257,951	44,698,237	45,511,635	46,523,365
Housing	84,719	110,593	230,495	235,352	238,434
Human Resources	1,529,057	1,590,804	1,813,531	1,824,502	1,788,443
Law	2,247,868	2,854,606	2,876,121	2,894,912	2,936,603
Library	7,954,959	8,196,281	8,447,082	8,478,202	9,250,919
Metro. Area Building & Construction	904,376	993,608	1,007,756	1,008,021	1,022,203
Municipal Court	6,468,139	7,106,927	7,071,752	7,238,831	7,356,590
Park & Recreation	15,207,335	16,074,393	16,393,138	16,618,135	17,104,871
Police Department	78,513,317	81,638,887	81,818,452	83,410,077	85,770,290
Public Works & Utilities	35,277,034	36,630,012	36,445,548	37,143,218	37,819,640
Transit	3,725,080	3,475,080	3,475,080	3,775,080	3,775,080
Transfers	2,816,835	2,721,470	2,229,881	2,165,967	2,204,538
Other	4,162,103	7,246,615	5,609,708	7,353,941	8,500,788
Shrinkage	0	(3,424,905)	(3,703,005)	(3,817,477)	(4,130,869)
<b>Total General Fund Expenditures</b>	<b>217,860,037</b>	<b>227,158,341</b>	<b>225,292,252</b>	<b>231,078,516</b>	<b>237,722,275</b>
<b>Budgeted Income / (Loss)</b>	<b>\$1,025,667</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Unencumbered Fund Balance:</b>					
January 1	\$26,925,131	\$26,925,131	\$27,950,798	\$27,950,798	\$27,950,798
December 31	\$27,950,798	\$26,925,131	\$27,950,798	\$27,950,798	\$27,950,798
<b>Percent of Expenditures</b>	<b>12.8%</b>	<b>11.9%</b>	<b>12.4%</b>	<b>12.1%</b>	<b>11.8%</b>



GENERAL FUND	2012 ACTUAL	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 REVISED
<b>Budgeted Operating Revenues</b>					
Property Taxes	\$76,129,630	\$75,091,965	\$73,242,447	\$73,908,585	\$74,114,944
Motor Vehicle Taxes	10,024,987	10,070,871	10,828,581	10,872,068	11,336,703
Local Sales Taxes	26,174,792	27,071,126	27,839,177	28,638,617	29,567,548
Motor Fuel Taxes	14,418,735	14,060,434	14,434,790	14,616,935	14,767,138
Liquor Taxes	1,773,776	1,862,049	1,867,487	1,963,335	2,011,079
Franchise Fees	37,406,752	39,282,857	41,863,247	44,304,262	46,510,904
Licenses and Permits	2,546,327	2,511,065	2,504,438	2,317,736	2,680,126
Charges for Services	8,040,194	7,894,592	8,060,216	15,890,254	17,174,710
Rental Income	2,243,685	2,267,190	2,129,515	2,375,230	2,394,701
Transfers In	10,181,762	10,637,891	5,227,338	4,983,720	4,882,446
Interest Earnings	300,882	562,029	846,114	1,475,455	1,200,000
Fines and Penalties	10,469,494	9,385,629	9,850,624	9,751,773	10,772,300
Administrative Charges	4,009,388	3,340,436	3,275,371	3,789,532	3,714,571
Reimbursements	2,985,799	3,831,237	10,482,217	3,998,202	4,165,082
<b>Total Operating Revenues</b>	<b>206,706,202</b>	<b>207,869,371</b>	<b>212,451,562</b>	<b>218,885,704</b>	<b>225,292,252</b>
<b>Budgeted Operating Expenditures</b>					
Wages	108,355,590	108,819,470	110,251,268	113,102,629	120,822,059
Health Insurance	18,346,281	18,284,527	19,262,356	20,419,072	23,315,089
Other Benefits	23,781,968	25,356,651	25,232,051	24,944,990	27,054,980
Contractual Expenditures	37,346,609	37,993,624	40,356,634	42,257,285	46,908,467
Commodities	8,122,054	8,446,971	8,743,602	8,515,995	8,348,472
Capital Outlay	29,348	106,616	80,174	1,032,377	254,000
Transfers	11,182,829	6,858,501	6,940,320	7,587,689	7,471,227
Shrinkage	0	0	0	0	(8,882,042)
<b>Total Operating Expenditures</b>	<b>207,164,679</b>	<b>205,866,360</b>	<b>210,866,405</b>	<b>217,860,037</b>	<b>225,292,252</b>
<b>Operating Margin</b>	<b>\$(458,477)</b>	<b>\$2,003,011</b>	<b>\$1,585,157</b>	<b>\$1,025,667</b>	<b>\$0</b>
<b>Unencumbered Fund Balance:</b>					
January 1	\$23,124,993	\$23,336,963	\$25,339,974	\$26,925,131	\$27,950,798
December 31	\$23,336,963	\$25,339,974	\$26,925,131	\$27,950,798	\$27,950,798
<b>Percent of Expenditures</b>	<b>11.3%</b>	<b>12.3%</b>	<b>12.7%</b>	<b>12.8%</b>	<b>12.4%</b>
<b>Assessed Valuation</b>					
Assessed Valuation	3,151,989	3,111,573	3,124,330	3,148,264	3,191,582
Increase In Assessed Valuation	0.0%	(1.3%)	0.4%	0.8%	1.4%
General Fund Mill Levy	24.839	24.443	24.003	24.114	24.177
Debt Service Fund Mill Levy	7.520	8.028	8.506	8.537	8.509
<b>Total Mill Levy</b>	<b>32.359</b>	<b>32.471</b>	<b>32.509</b>	<b>32.651</b>	<b>32.651</b>

Note: Amounts shown in thousands of dollars.



GENERAL FUND	2017 PROPOSED	2018 PROJECTED	2019 PROJECTED	2020 PROJECTED	2021 PROJECTED
<b>Budgeted Operating Revenues</b>					
Property Taxes	75,944,020	78,286,839	80,960,849	83,698,091	86,432,003
Motor Vehicle Taxes	11,677,933	12,028,272	12,389,120	12,760,794	13,143,618
Local Sales Taxes	30,453,231	31,412,295	32,354,664	33,325,304	34,325,063
Motor Fuel Taxes	11,677,933	12,028,272	12,389,120	12,760,794	13,143,618
Liquor Taxes	2,082,903	2,176,634	2,274,583	2,376,939	2,483,901
Franchise Fees	48,382,844	49,799,477	51,253,622	52,755,353	54,306,360
Licenses and Permits	2,947,234	3,228,734	3,309,452	3,392,189	3,476,993
Charges for Services	17,532,440	17,546,440	17,813,086	18,084,957	18,362,157
Rental Income	2,393,751	2,393,751	2,453,595	2,514,935	2,577,808
Transfers In	5,000,750	5,651,067	5,369,010	5,503,686	5,642,766
Interest Earnings	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Fines and Penalties	10,878,801	11,422,517	11,536,742	11,652,110	11,768,631
Administrative Charges	3,714,571	3,518,834	3,606,805	3,696,975	3,789,399
Reimbursements	3,956,229	3,995,469	4,115,333	4,238,793	4,365,957
<b>Total Operating Revenues</b>	<b>231,078,516</b>	<b>237,722,275</b>	<b>243,698,806</b>	<b>250,262,069</b>	<b>256,936,601</b>
<b>Budgeted Operating Expenditures</b>					
Wages	124,234,361	128,177,427	130,740,976	133,355,795	136,022,911
Health Insurance	25,134,211	27,182,158	29,356,731	31,705,269	34,241,691
Other Benefits	26,936,969	27,415,129	27,963,432	28,522,700	29,093,154
Contractual Expenditures	46,968,960	47,361,132	48,308,355	49,274,522	50,260,012
Commodities	8,442,501	8,649,961	8,736,461	8,823,825	8,912,063
Capital Outlay	163,000	155,000	156,550	158,116	159,697
Transfers	8,140,449	8,257,516	8,422,666	8,591,120	8,762,942
Shrinkage	(8,941,935)	(9,476,047)	(9,986,363)	(10,169,277)	(10,515,869)
<b>Total Operating Expenditures</b>	<b>231,078,516</b>	<b>237,722,275</b>	<b>243,698,806</b>	<b>250,262,069</b>	<b>256,936,601</b>
<b>Operating Margin</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Unencumbered Fund Balance:</b>					
January 1	\$27,950,798	\$27,950,798	\$27,950,798	\$27,950,798	\$27,950,798
December 31	\$27,950,798	\$27,950,798	\$27,950,798	\$27,950,798	\$27,950,798
<b>Percent of Expenditures</b>	<b>12.1%</b>	<b>11.8%</b>	<b>11.5%</b>	<b>11.2%</b>	<b>10.9%</b>
<b>Assessed Valuation</b>	<b>3,273,189</b>	<b>3,373,189</b>	<b>3,478,190</b>	<b>3,588,215</b>	<b>3,703,215</b>
Increase In Assessed Valuation	3.1%	3.1%	3.1%	3.2%	3.2%
General Fund Mill Levy	24.186	24.186	24.186	24.186	24.186
Debt Service Fund Mill Levy	8.500	8.500	8.500	8.500	8.500
<b>Total Mill Levy</b>	<b>32.686</b>	<b>32.686</b>	<b>32.686</b>	<b>32.686</b>	<b>32.686</b>

Note: Amounts shown in thousands of dollars.

# Revenue Summary - General Fund



## FINANCIAL SUMMARIES

GENERAL FUND REVENUE	2015	2016	2016		2017		2018	
	ACTUAL	ADOPTED	REVISED	Percent Change	PROPOSED	Percent Change	PROJECTED	Percent Change
	Amount	Amount	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
<b>PROPERTY TAXES</b>	\$73,908,585	\$74,048,618	\$74,114,944	0.3%	\$75,944,020	2.5%	\$78,286,839	3.1%
<b>MOTOR VEHICLE TAXES</b>	10,872,068	11,333,528	11,336,703	4.3%	11,677,933	3.0%	12,028,272	3.0%
<b>LOCAL SALES TAXES</b>	28,638,617	29,558,016	29,567,548	3.2%	30,453,231	3.0%	31,412,295	3.1%
<b>INTERGOVERNMENTAL:</b>								
Motor Fuel Taxes	14,616,935	14,511,473	14,767,138	1.0%	14,913,809	1.0%	15,061,946	1.0%
Liquor Taxes	1,963,335	1,962,029	2,011,079	2.4%	2,082,903	3.6%	2,176,634	4.5%
<b>Total Intergovernmental</b>	<b>16,580,270</b>	<b>16,473,502</b>	<b>16,778,217</b>	<b>1.2%</b>	<b>16,996,712</b>	<b>1.3%</b>	<b>17,238,580</b>	<b>1.4%</b>
<b>FRANCHISE FEES</b>								
Electric	25,783,582	28,578,703	27,746,313	7.6%	28,578,703	3.0%	29,436,064	3.0%
Natural Gas	6,797,725	8,112,484	6,905,126	1.6%	7,043,228	2.0%	7,184,093	2.0%
Water Utilities	6,317,948	6,910,506	6,380,773	1.0%	7,228,105	13.3%	7,553,902	4.5%
Other	5,405,007	5,599,845	5,478,691	1.4%	5,532,808	1.0%	5,625,418	1.7%
<b>Total Franchise Fees</b>	<b>44,304,262</b>	<b>49,201,538</b>	<b>46,510,904</b>	<b>5.0%</b>	<b>48,382,844</b>	<b>4.0%</b>	<b>49,799,477</b>	<b>2.9%</b>
<b>LICENSES AND PERMITS</b>	<b>2,317,736</b>	<b>2,837,894</b>	<b>2,680,126</b>	<b>15.6%</b>	<b>2,947,234</b>	<b>10.0%</b>	<b>3,228,734</b>	<b>9.6%</b>
<b>CHARGES FOR SALES &amp; SVCS.</b>	<b>15,890,254</b>	<b>16,962,699</b>	<b>17,174,710</b>	<b>8.1%</b>	<b>17,532,440</b>	<b>2.1%</b>	<b>17,546,440</b>	<b>0.1%</b>
<b>RENT INCOME</b>	<b>2,375,230</b>	<b>2,326,167</b>	<b>2,394,701</b>	<b>0.8%</b>	<b>2,393,751</b>	<b>0.0%</b>	<b>2,393,751</b>	<b>0.0%</b>
<b>TRANSFERS IN:</b>								
Public Safety Fees	0	0	0	n/a	0	n/a	0	n/a
Landfill Post Closure	150,000	150,000	150,000	0.0%	150,000	0.0%	150,000	0.0%
Convention Center Losses	1,786,098	1,748,913	1,858,699	4.1%	1,944,029	4.6%	2,000,798	2.9%
Special Park and Rec.	1,910,000	1,915,000	1,910,000	0.0%	2,180,000	14.1%	2,273,548	4.3%
Other	1,137,622	743,026	963,747	-15.3%	726,721	-24.6%	1,226,721	68.8%
<b>Total Transfers</b>	<b>4,983,720</b>	<b>4,556,939</b>	<b>4,882,446</b>	<b>-2.0%</b>	<b>5,000,750</b>	<b>2.4%</b>	<b>5,651,067</b>	<b>13.0%</b>
<b>INTEREST EARNINGS</b>	<b>1,475,455</b>	<b>1,049,332</b>	<b>1,200,000</b>	<b>-18.7%</b>	<b>1,200,000</b>	<b>0.0%</b>	<b>1,200,000</b>	<b>0.0%</b>
<b>OTHER REVENUE:</b>								
<b>Fines and Penalties:</b>								
Municipal Court	9,407,120	10,394,300	10,394,300	10.5%	10,497,801	1.0%	11,041,517	5.2%
Library	344,653	378,000	378,000	9.7%	381,000	0.8%	381,000	0.0%
<b>Total Fines &amp; Penalties</b>	<b>9,751,773</b>	<b>10,772,300</b>	<b>10,772,300</b>	<b>10.5%</b>	<b>10,878,801</b>	<b>1.0%</b>	<b>11,422,517</b>	<b>5.0%</b>
<b>Administrative Charges</b>	<b>3,789,532</b>	<b>3,857,034</b>	<b>3,714,571</b>	<b>-2.0%</b>	<b>3,714,571</b>	<b>0.0%</b>	<b>3,518,834</b>	<b>-5.3%</b>
<b>Reimbursements</b>	<b>3,998,202</b>	<b>4,180,774</b>	<b>4,165,082</b>	<b>4.2%</b>	<b>3,956,229</b>	<b>-5.0%</b>	<b>3,995,469</b>	<b>1.0%</b>
<b>Total Other Revenues</b>	<b>17,539,507</b>	<b>18,810,108</b>	<b>18,651,953</b>	<b>6.3%</b>	<b>18,549,601</b>	<b>-0.5%</b>	<b>18,936,820</b>	<b>2.1%</b>
<b>TOTAL GF REVENUE</b>	<b>\$218,885,704</b>	<b>\$227,158,341</b>	<b>\$225,292,252</b>	<b>2.9%</b>	<b>\$231,078,516</b>	<b>2.6%</b>	<b>\$237,722,275</b>	<b>2.9%</b>



Honorable Mayor Jeff Longwell,  
Members of the Wichita City Council

July 12, 2016

**Dear Mayor Longwell and Members of the City Council:**

Wichita has been known by many names during its long and rich history. Initially, Wichita was known as “Cowtown” due to the importance of the annual cattle drives of Texas longhorn cattle to the Wichita railhead. In 1887, our city was christened the “Peerless Princess of the Plains” by newspaper editor Marshall M. Murdock. By the 1920’s Wichita had been transformed into the leading manufacturer of aircraft and was dubbed in 1929 as the “Air Capital of the World.” Although all are part of Wichita’s legacy, the 2017 Proposed Budget that I am presenting today serves as a plan for the future of our city and the 388,413 individuals who are proud to know Wichita simply as “Home.” The 2017 Proposed Budget represents a financial plan, an operations guide, and a strategic vision - all focused on one thing: providing outcomes that make Wichita a safe and economically viable city with a rich quality of life for its residents and visitors.

**DEVELOPING THE BUDGET**

The 2017 Proposed Budget is developed based on several key factors. Overall policy direction provided by the City Council provides a framework around which the budget is developed. Participation in the budget process by residents is crucial to its development. Budget recommendations are also the result of a focused strategic planning process. Finally, best management practices play a significant role in the operating strategies that are proposed to be funded.

**POLICY DIRECTION** - The 2017 Proposed Budget is developed based on policy guidance provided by the City Council. That guidance is summarized as ensuring the fiscal viability of the organization, and providing the best outcomes possible in key priority areas. For the 23rd consecutive year, the estimated mill levy rate to fund the Proposed Budget is equal to the prior year Adopted mill levy rate. The mill levy rate included in the 2017 Proposed Budget will once again remain one of the lowest in the Metropolitan Statistical Area (shown on page 295). In addition, the City of Wichita mill levy rate is the eleventh lowest among Kansas first class cities (page 295). However, the City of Wichita does not levy a city sales tax - it is noteworthy that each first class city with a lower mill levy rate also has a sales tax rate of between 0.9% and 2.0% higher than the rate in Wichita.

**Low and Stable Mill Levy Rate**

- *Fourth lowest tax rate of 56 cities in the MSA area*
- *Eleventh lowest tax rate of Kansas first class cities*
- *Lowest tax rate of first class cities without a city sales tax*
- *Twenty-third consecutive budget with a mill levy rate equal to the prior year*

Maintaining adequate reserves is a key measure of fiscal flexibility, provides evidence of the City’s financial stability, allows flexibility for cash flow requirements, and provides appropriate funding for emergencies. City policy dictates a General Fund reserve level of at least 10% of projected

City of Wichita Mill Levy Rate		
	2017	2016
General Fund	24.186	24.177
Debt Service Fund	8.500	8.509
<b>Total</b>	<b>32.686</b>	<b>32.686</b>



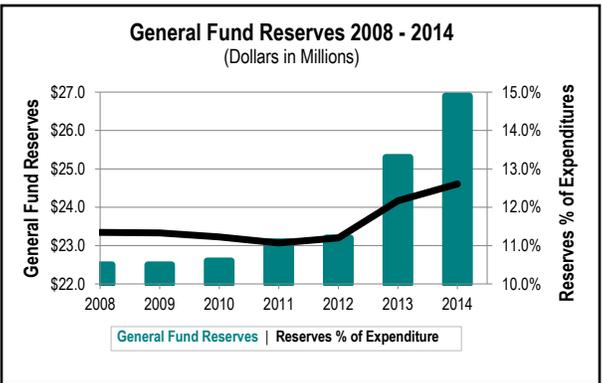
expenditures. For more than twenty years, General Fund reserves have exceeded this policy guidance. In fact, in nominal terms, reserves have grown every year for the past eight years, in spite of the broad economic turmoil during this period. The 2017 Proposed Budget is projected to maintain a reserve level of \$27.9 million, or an estimated 12% of projected expenditures.

In addition to the General Fund, other areas are well reserved. The Landfill Post Closure Fund is projected to maintain a reserve greater than 102% of the anticipated post closure liability (nearly \$12 million), exceeding the City Council policy of 85%. The Self Insurance Fund maintains reserves to ensure a 90% confidence level (a measure of the fund's ability to finance all expected future claims expenditures). The City's pension funds, in spite of financial market turmoil in recent years, still maintain funded ratios of over 93%, well above most public pension systems.

The City Council also provides policy direction through the development of key priority areas. The resources allocated in the 2017 Proposed Budget are designed to produce meaningful outcomes based on these strategic priority areas. The strategic priorities also drive departmental goals, which are included in the budget documents. Departmental goals and data drive decision making within each department. Finally, the City extensively uses performance measures to quantify the outcomes produced in relationship to targets and benchmarks to provide transparency to residents on the use of taxes and City funds and to ensure that operations are both effective and efficient.

### Strong Reserve Levels

- General Fund reserves have grown for eight consecutive years and total nearly \$28 million.
- Landfill Post Closure reserves are 102% of the estimated liability.
- Self Insurance Fund reserves provide for a 90% confidence level of potential claims.
- City pension funds maintain an actuarially funded ratio of over 93%.



**CITIZEN ENGAGEMENT** - The 2017 Proposed Budget is significantly influenced by input from our citizens. For the fifth consecutive year, the City held a Social Media Town Hall event to share service delivery issues and receive feedback. This event, held on Facebook and Twitter, produced an astounding 194,509 page views, 667 comments, and 1,254 Facebook reactions (most of which were “likes” with even a few “loves”). During the Social Media Town Hall, participants were able to watch a short video about service delivery, and then provide suggestions or ask questions. This event educates citizens about the services provided by the City, serves as a useful way to share information and answer questions about services, and most importantly provides participants the opportunity to provide suggestions on how City services can be improved.



The City also participates in the National Citizen Survey sponsored by the International City/County Management Association (ICMA). Results from the 2016 National Citizen Survey were compared to prior year outcomes, benchmarks, and services that residents rated a high priority. This feedback provides an important metric measuring how well City service levels are perceived and how the City is meeting the needs of its residents. Citizen Survey results were used extensively during the Social Media Town Hall, when residents were asked about how to improve services with lower than desired ratings on the survey, including traffic signal timing, library services, street sweeping, transit, and parks.

Citizen engagement regarding priorities and survey data regarding service delivery are complemented by open data and performance measure benchmarking efforts. In 2016, the City was selected by Bloomberg Philanthropies as a What Works City for making a public commitment to use data for informed decision making. In partnership with Open Wichita, a Civic Hackathon was conducted during the annual Wichita River Festival in order to use data to generate ideas to transform the community.

In addition to leveraging open data, the City continues to use performance measure benchmarking to guide resource allocation decisions. In 2015, the City joined the ICMA-Insights Large Cities Consortium as a charter member. This consortium will further improve benchmarking efforts of key measures among peer communities. Performance measure outcomes continue to provide insight into service delivery processes and resource allocations. The performance measurement program is critical as the organization continues efforts to improve processes and review programs.

Finally, the City employs a robust communications strategy utilizing a variety of channels to effectively share information with the community about City services and financial issues. The City is active on Facebook, with over 18,750 followers. The Mayor holds weekly press conferences to share information on current topics with the media and citizens. Traditional budget presentations are provided at each of the six City Council District Advisory Board (DAB) meetings, and staff from a variety of departments present monthly updates on important issues at these DAB meetings.

### **Community Feedback Shapes the Budget**

- *The City received 667 comments during the Social Media Town Hall event.*
- *The annual Citizen Survey engages residents and provides valuable feedback.*

### **Wichita is Online**

- *Like us at City of Wichita-Government*
- *Follow us @CityofWichita*
- *Find us at [www.wichita.gov](http://www.wichita.gov)*



**INTEGRATION WITH OTHER PLANNING PROCESSES** - The Proposed Budget is influenced by a variety of focused planning processes. The annual Capital Improvement Program (CIP) directly impacts staffing needs and operating budget recommendations. The Park, Recreation, and Open Space (PROS) Plan, the Library Master Plan, the Aquatics Plan, the Information Technology Strategic Plan, a proposed Police staffing study, the Bicycle Master Plan, and the Pedestrian Master Plan are all examples of planning processes that directly influence recommendations included in the 2017 Proposed Budget.

**BEST MANAGEMENT PRACTICES** - The City strives not only to produce meaningful outcomes in key priority areas, but to do so as efficiently as possible. Performance measures and continuous improvement play key roles in this effort. By benchmarking City services with peers, areas in which the City performs below its peers can be targeted for operational review. In addition, staff conduct research in a variety of areas, searching for best practices and innovative ideas to improve the efficiency of service delivery. Staff continually evaluate whether a service can be more appropriately provided through privatization, or by leveraging the City's intrinsic advantages and performing a service in-house.

## **OPERATING ENVIRONMENT**

The City of Wichita is a large and complex organization, serving as a regional economic hub for more than one million people. 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. In this dynamic and complex environment, it is advisable to identify potential external threats that could impact the City.



**LOCAL ECONOMY** - Overall, the local economy continues with slow and steady growth since the previous recession. Sales tax and motor vehicle tax collections are economically sensitive and both are expected to continue to grow moderately. The City's assessed valuation base has expanded slowly for the past three years, following a period during the past recession when valuation was stagnant. Total valuation growth in 2016 was 1.4%, and growth of 2.6% is projected for 2017. This growth is comprised of both new construction (1.0%) and increases in existing property valuations (1.6%). In addition, the effects of the 2006 Kansas Legislature's exemption of machinery and equipment, which resulted in the loss of nearly \$150 million in valuation from 2007 to 2016, has appeared to slow.

### **Stable Economic Conditions**

- *Economic conditions, based on Wichita State University analysis, is stable with slow growth.*
- *City assessed valuation is projected to grow 2.6% in 2017.*
- *Any future downturn would significantly impact several key City revenues.*

Based on data from 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 conditions of the Wichita metropolitan area economy. The WSU Current Conditions index in April 2016 was reported at 95.9, compared to 94.8 in April 2015. In addition, the WSU Leading Indicators Index, which is designed to give an indication of where the Wichita economy is headed over the next six months, also continues to improve, at 95.5 in April 2016 compared to 95.0 in April 2015. The local MSA unemployment rate is 3.8% (compared to 4.8% last year), and total employment is reported at 301,461 compared to 296,309 a year ago, according to the Bureau of Labor Statistics.

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 have a significant impact on City finances.

**PROPERTY TAX LID LEGISLATION** - Perhaps a more ominous threat is the continued fiscal challenges presented by the State of Kansas. Although many longstanding statutory revenue sharing provisions (including demand transfers) have long since been abandoned by the State, the continuation of issues facing the Governor and Legislature could have a direct and adverse impact on the City of Wichita. Additional policy changes by the State, such as the 2006 exemption of machinery and equipment, could also harm City finances. Finally, recently passed property tax lid legislation has the potential to significantly reduce the City's financial flexibility as early as 2018.

### **Property Tax Lid Considerations**

- *The City will exceed the 2017 property tax lid, triggering a requirement to publish a Notice of Vote.*
- *The property tax lid in 2018 will become more stringent, and could potentially restrict future flexibility to respond to service demands.*

There is a long tradition of local Home Rule in Kansas, which is included in the State of Kansas Constitution, allowing local government decisions to be made by locally elected officials. This tradition has resulted in a variety of solutions best suited to each city in order to address local concerns. However, Home Rule has been continually eroded by the Legislature's passage of local property tax lid statutes and other legislation. Initially passed in 2014, the property tax lid has been amended during both the 2015 and 2016 sessions. The property tax lid limits the ability of municipalities to levy property taxes greater than the inflation rate plus the growth in the valuation base from new construction, annexation, and change in use. In 2017, exceeding the property tax lid will require the City Council to publish a "Notice of Vote" informing residents that the growth allowable by the property tax lid was exceeded. However, beginning in 2018, the property tax lid will require a much more cumbersome and potentially unworkable requirement for voters to pre-approve any attempt to exceed the property tax lid limitations.

The City has a long history of maintaining a stable mill levy and aggressively controlling expenditures. However, the new property tax lid will penalize the City for these conservative and prudent financial practices. By limiting annual budget growth



through the lid, the City has lost the flexibility to address the continuing demand for quality of life, street maintenance, and transit services. If the new property tax lid requirements were in place for 2017, the City Council would have been forced to cut over \$900,000 from these vital services.

## FINANCIAL PLAN

Integral to the 2017 Proposed Budget is the City's financial planning process (beginning on page 73). The Financial Plan includes 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, provides time for thoughtful and strategic responses and potential policy direction.

**TOTAL CITY REVENUES AND EXPENDITURES:** The 2017 Proposed Budget includes \$580,585,538 in expenditure authority among all of the City's funds. For the 2016 Revised Budget, a total of \$523,449,786 is included; an increase of \$19.3 million over 2015 actual expenditures.

Most of the increases in budgeted expenditures are related to capital financing. The Debt Service Fund is budgeted to decrease significantly in 2016. Last year, over \$42 million was used for pay-as-you-go financing. This is expected to decline to a more moderate \$20 million in the 2016 Revised Budget. Expenditures in this fund are estimated to increase by \$9 million in the 2017 Proposed Budget due to additional debt service costs for budgeted CIP projects. Water and Sewer Utilities expenditures are projected to increase in 2016 mainly due to additional debt service costs for budgeted capital improvement projects. Expenditures in the Local Sales Tax Fund are projected to increase by \$3.4 million in 2016 due to increased cash funding of eligible street projects. Finally, a significant portion of the increased expenditures budgeted in 2017 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.

<b>CITY BUDGET GROWTH COMPONENTS</b> (Dollars in Millions)		
	<b>2016 REVISED</b>	<b>2017 PROPOSED</b>
<b>Annual Increase</b>	<b>\$19.3</b>	<b>\$56.9</b>
Debt Service Fund	(\$20.3)	\$9.0
Water and Sewer Utilities	\$18.1	—
TIF District Funds	\$6.3	—
Local Sales Tax Fund	\$3.4	—
Budgeted Reserves	—	\$35.9
<b>All Other Changes</b>	<b>\$11.8</b>	<b>\$12.0</b>
<b>PERCENTAGE INCREASE</b> (not including items above)	<b>2.3%</b>	<b>2.3%</b>

**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 not only for 2016, but also through the planning horizon (2021). The General Fund budget is based on a total mill levy rate estimated at 32.651 mills, equal to the rate levied in 2015. The projected balance in the General Fund will be over \$27.9 million, and total an estimated 12.1% of expenditures in 2017; a level exceeding the 10% policy minimum.

General Fund expenditures in 2016 are projected to increase by \$7.4 million or 3.3% over 2015 expenditures, with 2017 growth of \$5.8 million, or 2.5%. Generally, these modest increases are for wages, pension costs, and health insurance costs. Additional

<b>LONG-TERM GENERAL FUND FINANCIAL PLAN (Dollars in Millions)</b>						
	<b>2016 REVISED</b>	<b>2017 PROPOSED</b>	<b>2018 PROJECTED</b>	<b>2019 PROJECTED</b>	<b>2020 PROJECTED</b>	<b>2021 PROJECTED</b>
Revenues	\$225.3	\$231.1	\$237.7	\$243.7	\$250.3	\$256.9
Expenditures	\$225.3	\$231.1	\$237.7	\$243.7	\$250.3	\$256.9
<b>PERCENT CHANGE</b>	<b>3.3%</b>	<b>2.5%</b>	<b>2.8%</b>	<b>2.5%</b>	<b>2.7%</b>	<b>2.6%</b>



growth components in 2016 include funding for the implementation of the Police body worn camera program, efforts to ensure that Police staffing can reach authorized levels, modest enhancements for street and pathway maintenance, and modest growth projected for Cultural Arts funding agreements.

Although the General Fund financial plan is balanced, it is important to recognize potential challenges that are likely over the long-term. As noted previously, the property tax lid could impair property tax revenue growth. An economic downturn could also significantly impact revenues. Finally, the typical growth patterns of both revenues and expenditures may present additional challenges maintaining a balanced General Fund budget longer-term. The City's revenue portfolio is somewhat diverse; however, most revenues have limited upside based on historical growth rates. Several City revenue streams typically have very low growth rates. The revenue stream that does tend to have the highest growth rate (franchise fees) is also one of the more erratic, since franchise fees are heavily influenced by weather and natural gas prices.

#### **Longer Term General Fund Issues**

*Although the General Fund is balanced, expected growth trends in expenditures are expected to exceed revenue growth. Continued efforts are expected to be necessary to maintain a balanced budget in the future.*

In contrast to revenues, expenditures are dominated by salaries and benefits, which tend to experience higher organic growth rates. While base wages are a function of employee demographics, union wage settlements, and the number of positions filled, wage growth can often exceed 3% annually. Benefits costs are more troubling. Although the City has aggressively pursued strategies to moderate growth rates, health insurance costs (which total nearly 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 higher than peer funded ratios of the City's pension plans. However, adverse market conditions can potentially impact pension contribution growth rates.

#### **Potential Expenditure Pressure**

*Potential increases in wage costs, including health insurance and pension costs, are expected to present continued future challenges.*

In light of these challenges, it is imperative to consider both limiting expenditure growth and enhancing revenue growth. As part of the 2017 Proposed Budget, staff will begin initiatives to solidify the long-term General Fund outlook. This fall, a comprehensive strategic review of every City service will begin. This process will examine in detail the cost structure of every service, developing a spending plan for each using a **zero-based budgeting** approach. The outcomes of each service will be examined in detail, including the alignment of those outcomes with the overall priority guidance provided by the City Council. This process is expected to enhance the City's ability to fund excellence in service outcomes in areas that are aligned with Council priorities, but also should provide enhanced data-driven decisions about which services may be lower priority and can be shed. Concurrently, staff will intensify efforts to review charges for services and City license and permit fees. Ultimately, this study will facilitate a data-driven policy discussion on appropriate cost recovery rates for services and an analysis of which limited scope services do not fully recover costs.

**OTHER FUNDS** - The City budget is comprised of 33 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. Five funds merit further discussion.

- ◆ **Debt Service Fund.** Debt service expenditures, particularly for GO-at large debt, are expected to increase annually based on budgeted CIP projects. Debt service payments as a ratio of property tax revenues are expected to continue to climb, consistent with previous Capital Improvement Program forecasts. This will limit opportunities to utilize pay-as-you-go financing in the future.
- ◆ **Transit Fund.** The long-term outlook for Transit continues to be very challenging. The 2017 Proposed Budget projects a sustainable Transit Fund through 2019. However, the fund is sustainable only through the continued spend-down of federal carry-over balances. In addition, the projection is based on assumptions in fuel costs, farebox revenue, and continued State and Federal grant appropriations. While sustainable during the budget period, the Transit Fund is not expected to be sustainable long-term.



- ◆ **Joint City-County Planning Fund.** The City/County Planning Fund provides for operation of the Metropolitan Area Planning Department (MAPD). Since 1973, this partnership has been governed by an operating agreement that results in costs being shared equally by the City and County. Based on a reduction in County contribution amounts, the Planning Department has been restructured and several positions are expected to be held unfilled beginning in 2017. These efforts are expected to reduce base expenditures for both the City and County. Assuming the County agrees to fund these lower expenditure levels equally, the fund should be sustainable.
- ◆ **Golf Fund.** The Golf Course Enterprise Plan forecast was based on revenues increasing each year. Unfortunately, due to an overall decline in play, increased revenues are not possible without raising rates on an ongoing basis. While there have been several positive changes made to improve customer service and golf programs, the current revenue amounts are insufficient to replace operating and maintenance equipment, such as golf carts and turf mowers. Looking forward, as the sport of golf continues to suffer a decline in popularity, the most sustainable action for the Golf Fund may be a resizing of the system to match capacity with demand to keep rates affordable and equipment and courses well-maintained.
- ◆ **Fleet Fund.** Fleet Maintenance expenditures have increased in the past, and based on budgeted equipment replacement levels, the fund balance will be eroded by 2018. The City, in conjunction with Wichita State University, is currently reviewing Fleet Fund activities in order to optimize operations, replacement schedules, and create a revised cost model. These steps are expected to provide financial sustainability for the Fleet Fund over a 30-year period.

## STRATEGIES THAT PROVIDE PRIORITY OUTCOMES - COMPREHENSIVE REVIEW

Ultimately, the 2017 Budget is a plan that adapts to the challenges posed by the operating environment. It allocates resources to fund operating strategies to produce outcomes consistent with policy direction. Based on direction from the City Council regarding key priority areas, City departments develop strategies and determine the costs of implementing those strategies. Minimizing any threats in the operating environment plays a role in developing and funding strategies. Finally, the strategies pursued by the various departments are consistent and based on one simple theme: producing outcomes that matter to Wichita residents.

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. When developing the budget, targets are developed 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.

### Providing Outcomes that Matter

- *The 2017 Proposed Budget includes a number of strategies to provide effective and efficient service to residents and visitors.*
- *How well the City is providing service is reported by over 400 performance measures.*

While strategies included in the 2017 Proposed Budget are outlined below, a comprehensive strategic review of the entire City organization and its services will be launched this fall. This effort is necessary based on the expected challenges facing City finances in the longer term. In addition, this effort is driven by a desire to provide excellence in all services the City delivers. It is expected that to fund services at a level that will support excellence in service delivery, there will be services that the City can no longer afford to fund. This will likely require a lengthy and extensive dialogue, but the end result will facilitate the development of a 2018 Budget that is both fiscally sustainable and supports service level excellence.

### Comprehensive Strategic Review

- *City staff will initiate a comprehensive review of each service provided by the City this fall.*
- *The review will focus both on the cost structure for each service as well as the relevance of the outcomes provided.*
- *This effort will guide recommendations during next year's development of the 2018 Budget.*

## **STRATEGIES INCLUDED IN THE 2017 PROPOSED BUDGET**

The 2017 Proposed Budget includes many strategies shaped by City Council key priorities. Key strategies are outlined below.

### **Ensuring Physical Safety and Protecting Property**

- ◆ The 2017 Proposed Budget includes seven new positions to support the body worn camera program, which began in late 2015. This program, expected to be completed this summer, will outfit over 400 patrol officers with cameras. This strategy will produce outcomes of improved officer safety and enhanced transparency for both officers and residents. With limited implementation in 2015, external complaints decreased from 83 in 2014 to 43 in 2015. The new positions included in the 2017 Budget will administer the program and handle the collection, storage, and dissemination of captured videos.
- ◆ An additional investigator will be added to the Police Department's Exploited and Missing Child Unit (EMCU). This critical unit helps keep our most important residents - our children - safe from a variety of potential predators. However, case loads have been rising, complicating efforts to effectively serve victims and investigate cases. This position is expected to improve outcomes by reducing case loads for detectives.
- ◆ To continue serving defendants with drug and alcohol dependencies, the 2017 Proposed Budget will include \$400,000 from the Special Drug and Alcohol Tax Fund to support treatment and intervention programming. Funding for these services was reduced by the County Commission last year, and it is important that treatment and intervention strategies are continued. These strategies not only attempt to improve the future well-being of these defendants, but also provide a more effective and less costly alternative than incarceration.
- ◆ The Wichita Fire Department is developing a pilot program to explore new strategies to respond to emergency calls. The number of low acuity medical calls has risen significantly. In fact, medical calls make up the vast majority of fire responses. and basic life support responses per capita have increased from 98.4 in 2014 to 102.8 in 2015. Furthermore, responses on low acuity calls divert resources from providing expected outcomes on the more serious medical calls, as well as other fire-related calls for service. It is expected that by 2017 staff will implement a pilot program that deploys medical technicians to certain calls, reserving firefighters for more critical calls. The Fire Department currently responds to 68% of calls within four minutes - this effort seeks to ensure that future response times will be similarly maintained.
- ◆ In the past, the Police Department has struggled to fill authorized Police Officer positions. Recruitment and retention strategies have improved this situation, and the Department is expected to approach full staffing by 2017. These Officers are necessary to adequately provide desired public safety outcomes, and the 2017 Proposed Budget includes funding to support this goal. In addition, a staffing study will be initiated later this year as an effort to identify the appropriate future levels of Police positions to continue providing acceptable levels of outcomes.

### **Protecting Public Infrastructure and Assets**

- ◆ In 2015, Public Works & Utilities added snow plows to the snow and ice response fleet and increased salt and sand storage capacity. Funding to continue these strategies is included in the 2017 Proposed Budget. Snow and ice response outcomes have been enhanced through these strategies. One measure of these improved outcomes is an increase from 44% to 54% in 2016 in the number of respondents rating this service as either excellent or good in the National Citizen Survey.
- ◆ Strategies have been developed in 2016, with funding continuing in the 2017 Proposed Budget, to enhance street maintenance efforts. Past Citizen Surveys have shown that only 24% of respondents rate the quality of City street maintenance as good or excellent. For 2016 (and continued in the 2017 Proposed Budget), an additional \$250,000 was added to support pilot efforts related to control dust from unpaved streets and provide additional "hot spot" street repairs.

- ◆ To enhance the quality of life for Wichita residents, the City has added 24 miles to the bikeway system in the past year. To expand maintenance efforts for these pathways and dedicated lanes, the 2017 Proposed Budget includes a continuation of two additional positions previously added for this effort.
- ◆ Outcomes produced by the Fleet Maintenance Division have well exceeded benchmarks in the past. Police and Fire vehicles exceeding replacement criteria were at 7.2% and 4.3% respectively in 2015, and average fleet expenditures per vehicle were \$3,059 compared to an ICMA benchmark of \$3,649. However, to ensure the replacement schedules are optimized, and that City operating costs are as efficient as possible, the City is coordinating with Wichita State University to assess operations and financial management of the Fleet Fund. This effort is expected to lead to the modification of fleet maintenance strategies in the future, ensuring continued effective fleet outcomes and reducing costs to user departments.

## **Create a Growing Community**

- ◆ A robust park system is important to the quality of life in Wichita. Recent improvements include the expansion and improvement of facilities for "League 42," a baseball league for disadvantaged youths, and the development of the new 41-acre Pracht Wetlands Park with walking paths, boardwalks, and interpretive signage. In addition, the Park and Recreation Department is reviewing strategies to transform the City's aquatics program. This is expected to result in changes to the operating budget in the future, and will enhance recreational opportunities.
- ◆ The 2017 Proposed Budget funds the continued implementation of an expanded forestry program launched in 2015. In 2016, staff will begin one of the largest tree inventory efforts in the nation, and renovation of a new forestry facility will be completed. Outcomes have improved with an estimated 2,250 new trees planted in 2016, compared to 1,422 in 2015 and only 909 in 2014. In addition, pruning efforts are expected to reach 5.8% of the public canopy in 2016, compared to 4.6% in 2015 and 2.8% in 2014.
- ◆ The 2017 Proposed Budget includes an equivalent of 1.32 mills to support arts and culture in Wichita through grants and direct support of cultural institutions and organizations. This commitment provides a stable and predictable funding source for cultural institutions. Maintaining a vibrant and culturally active community is an important strategy to enhance the quality of life in Wichita.
- ◆ A new Advanced Learning Library has been approved by the City Council and is expected to open in 2018. This facility is expected to significantly transform the delivery of library related services in our community, particularly by improving access to technology. To appropriately staff this facility, the budget includes ten additional positions in the Library budget.
- ◆ A strategy to enhance the climate for business in Wichita is maintaining a stable and relatively low tax rate. The 2017 Proposed Budget is funded with a mill levy rate that has been consistent for the last 23 years.
- ◆ The 2017 Budget continues to support strategies to transfer ownership of certain publicly-owned assets to the private sector. This strategy focuses on under-developed and under-utilized assets and produces a number of beneficial outcomes, which can include unlocking the potential of these assets. Efforts are ongoing to seek private ownership of the Douglas and Hillside site, the Hyatt Regency Wichita, the Delano Catalyst Site, and the former State Office Building.
- ◆ The City continues to leverage partnerships with the Leadership Council and the Greater Wichita Partnership to enhance regional job creation, talent attraction, capital investment, and long-term economic prosperity. The 2017 Proposed Budget includes continued funding for the Greater Wichita Partnership. Strategies identified in the Blueprint for Regional Economic Growth (BREG) are also being pursued. These efforts seek to align regional resources to strategically focus on key business sectors including advanced manufacturing, advanced materials, aerospace, agriculture, data services and IT, health care, oil and gas, and transportation and logistics.



- ◆ The 2017 Proposed Budget continues to support efforts of the Wichita Downtown Development Corporation (WDDC) to make downtown Wichita a vibrant area for both residents and visitors. Past WDDC efforts have successfully focused on transforming downtown buildings and expanding residential living spaces, resulting in over \$1 billion in improvements. To continue supporting the WDDC and its strategies, the 2017 Proposed Budget includes a mill levy increase of one mill to fund a three-year pilot program within the boundaries of the Self-Supporting Municipal Improvement District. This District encompasses much of downtown, and these additional resources will be utilized by the WDDC to enhance the Douglas streetscape, placemaking and programming initiatives, and a marketing campaign for Douglas transit shelters.

## CONCLUSION

The 2017 Proposed Budget represents a solid strategic financial plan consistent with City Council key priorities and policy guidance. The development of this budget has been a collaborative effort, informed by a considerable amount of feedback from residents. It is fiscally sustainable, maintains a stable mill levy rate, and preserves the City's strong reserves. It supports efforts to ensure the public safety and the protection of residents' property. It appropriately funds public infrastructure and assets. Additionally, it seeks to enhance the quality of life in Wichita. Perhaps most importantly, it is a blueprint to fund outcomes that make Wichita a safe, affordable, and attractive place to call home.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Robert Layton'.

Robert Layton  
*City Manager*

## *Acknowledgements*

The City's 2017 Proposed Budget is based on the input and contributions of many individuals. Many City staff, including Department Directors and Assistant City Managers Cathy Holdeman 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 Mark L. Manning, and analysts Trinh Bui, Elizabeth Goltry Wadle, Troy Tillotson, John Page and Lindsey Vogt. In addition, the communications staff in the City Manager's Office, including Ken Evans, Lauragail Gamble, Van Williams and Tyler Schiffelbein were invaluable in efforts to engage residents throughout the budget process.

## 1. Increasing Police Staffing Levels

**Issue** - In the past, the Police Department has faced challenges filling authorized positions. However, staffing to full authorized strength is expected in the 2017 Proposed Budget.

The Wichita Police Department's authorized staffing level is 649 commissioned positions in the 2017 Proposed Budget. This is an increase of two authorized positions over the 2016 Adopted level. However, filling authorized positions has been challenging in the past. This has been due to a number of factors, including a significant number of retirements, issues in recruiting, and financial challenges.

The Human Resources Department, in conjunction with the Police Department, revamped recruiting strategies, which resulted in a larger pool of qualified applicants and recruits. Changes in Police Department leadership have prompted new interest in careers with the Wichita Police Department. During the Social Media Town Hall event, there were a number of questions about the process for becoming a police officer. The planned relocation of the training facility to the WSU Innovation Campus is also expected to facilitate future hiring of qualified applicants.

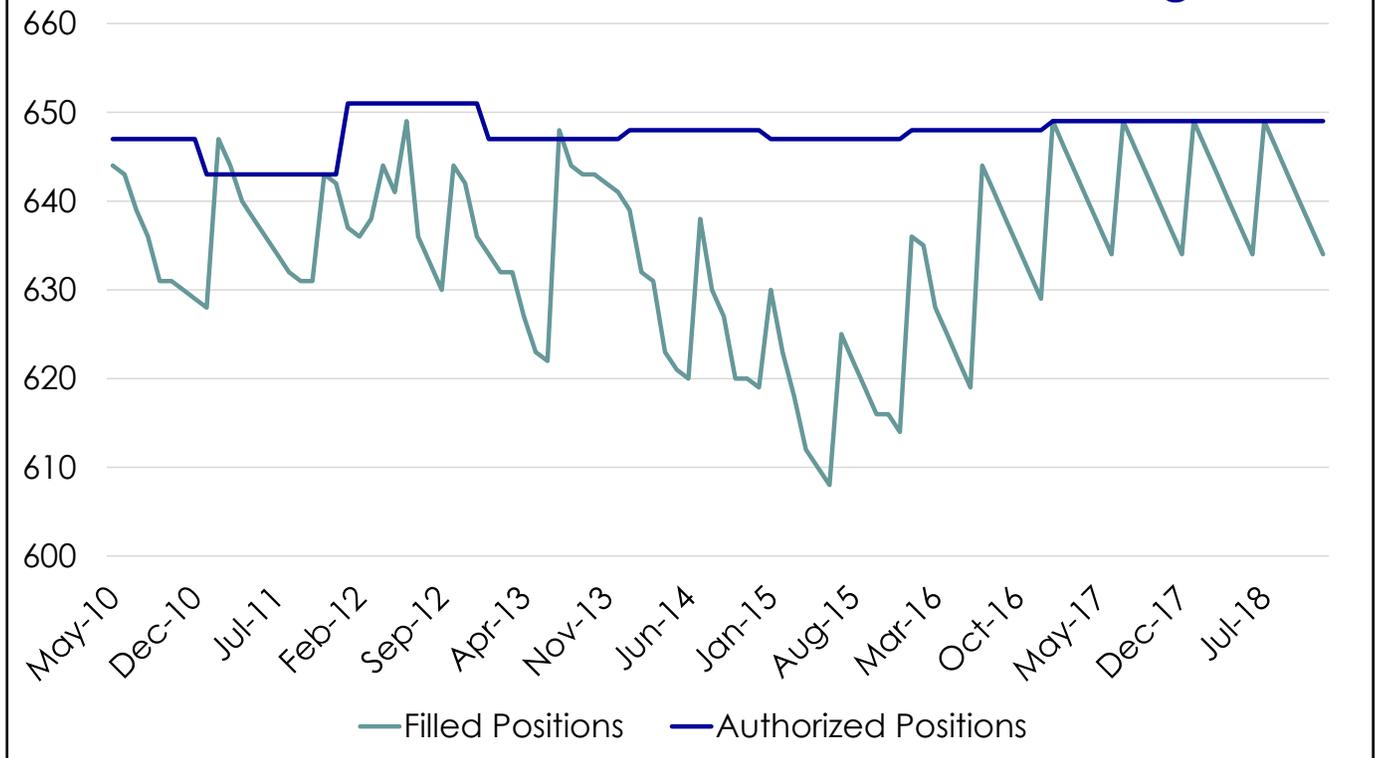
Turnover rates have slowed somewhat from the large number of retirements experienced in 2015. The 2017 Proposed Budget includes funding for all authorized positions. In 2014, funding expired

for 10 grant funded officers. After a one-year retention period, these officer positions were not funded due to General Fund constraints. The 2017 Proposed Budget includes local funding for three of these ten positions. The Police Department has applied for federal COPS funding so that the remaining seven positions can be filled.

Staffing levels have improved from 608 in June 2015 to 619 in June 2016. With a second recruit class slated to begin in July 2016, the Department should reach 644 filled positions, very close to authorized strength. If attrition rates slow to approximately three officers per month, the Police Department is estimated to maintain full staffing in 2017 and 2018, with two recruit classes each year.



### Forecasted Police Commissioned Staffing



## 2. Improving Traffic Outcomes

**Issue** - The Wichita Police Department plans to use a variety of tools including data analytics to improve traffic outcomes so that Wichita is safer.

Each year there are over 10,000 traffic crashes in Wichita reported to the Police Department. Many of these crashes result in injuries. Since 2009 there have been over 20 crashes each year that resulted in fatalities; in 2015 there were 26 fatal traffic crashes. The Police Department is exploring a number of strategies to produce better traffic outcomes. This is particularly important since some tools that have been used to combat DUI are no longer available, which drove down the number of DUI arrests from 1,999 in 2014 to 1,524 in 2015.

One strategy planned by the Police Department is improved data analytics. This tool will allow staff to use existing datasets to predict which times of day and days of the week that crashes are likely to occur at particular intersections. Patrol officers can be deployed in order to prevent crashes from occurring during these periods through increased presence and enforcement activities.

Another strategy being considered is the creation of a dedicated traffic unit. This approach would involve realigning staff to a traffic unit to enhance enforcement efforts in order to prevent crashes,

particularly at locations that have been identified as top crash intersections.

Plans to improve traffic outcomes are linked to fully staffing the Police Department. Previous vacancy rates have placed pressure on needed staffing for patrol duties. This has resulted in challenges in improving traffic enforcement. As strategies are developed to improve traffic outcomes, funding may be needed in the future for equipment.



## 3. Enhancing Responses to Fire and Medical Emergencies

**Issue** - The Wichita Fire Department will begin a two-year emergency medical response pilot program to reduce overall response times for both fire and medical emergencies by optimizing field resources.

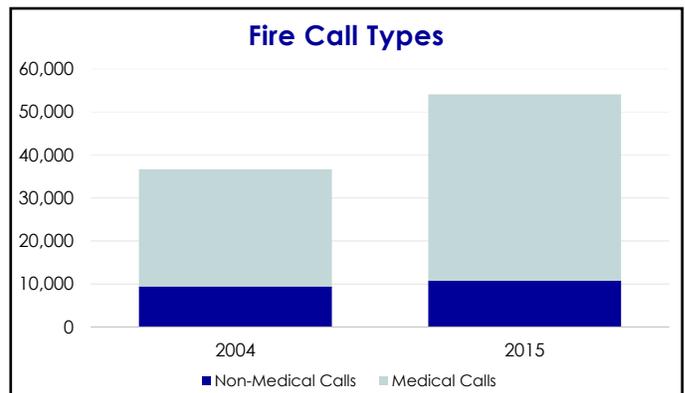
Over the last ten years, medical emergency calls have made up a significant portion of emergency calls. The number of basic life support (BLS) responses has increased each year since 2010, from 80 responses per 1,000 population, to 103 responses per 1,000 population in 2015, which is nearly double the ICMA benchmark of 54 responses per 1,000 population.

The increasing number of BLS calls each year is similar to the experience of fire departments across the United States. This trend has diverted experienced and skilled fire responders away from fire emergencies to low acuity medical calls, which hampers the efficiency and effectiveness of emergency response efforts.

The Wichita Fire Department is planning a pilot program to improve response times while maintaining expenditure levels. A potential new staffing model, to be considered by year-end 2016, will deploy appropriate resources based on the level of service demanded. This will preserve the capacity of firefighters for fire suppression and emergency activities. Total field staff would likely be increased and staff expect outcomes to improve for fire and medical emergency calls. Planning efforts for this initiative have been

collaborative, including participation from firefighters and their employee representatives.

The pilot program will evaluate any impacts to fire and medical services, financial resources, human resources, public perception, and stakeholder input. All of these variables will be used to develop a new approach to service delivery.



## 4. Partnering with the WDDC to Improve Downtown

**Issue** - The Wichita Downtown Development Corporation plans to use increased SSMID funding to begin a three-year pilot program that will continue to improve and beautify the downtown area.

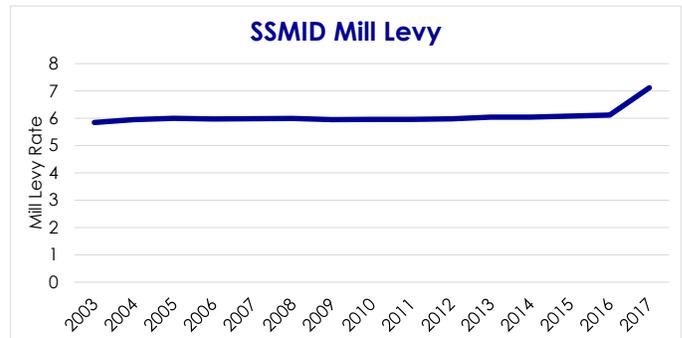
In 2001, the Self-Supporting Municipal Improvement District (SSMID) was established, in collaboration with downtown property and business owners. The SSMID resulted in a focused economic strategy regarding development of downtown Wichita. In 2002, the City contracted with the Wichita Downtown Development Corporation (WDDC) for the implementation of SSMID-funded initiatives. These initiatives involve business retention, recruitment initiatives, urban vitality improvements, and other revitalization and enhancement efforts. These initiatives help foster strategic public investment that serves as a catalyst for private sector investment.

The WDDC is funded through City Council-authorized assessments on all taxable real property located within the SSMID. During the budget process, the Downtown Wichita SSMID Advisory Board requested increased annual funding of approximately \$92,500, for the initiation of a three-year pilot program. This additional funding would result in a mill levy increase of one mill for taxpayers within the SSMID boundaries.

The additional funding would be used for:

- **Douglas Avenue Planters** - Seasonal plantings and all associated maintenance and watering costs incurred.
- **Marketing Campaign for Douglas Avenue Transit Shelters** - Display windows, located on eight transit shelters on Douglas Avenue, would showcase a Downtown marketing campaign designed by WDDC staff in partnership with Wichita Transit.
- **Placemaking and Programming** - Programming of public spaces in the downtown area.

Updates on these programs would be provided to SSMID stakeholders during the three-year pilot program. After the three-year period, stakeholders would be approached to determine the success of the program and whether it should be extended, or if changes need to be made.



The City has continued to make capital investments in the downtown area, with future improvements outlined in the annual Capital Improvement Program. The proposed pilot program and the initiatives outlined by the WDDC will further enhance the physical and built environment of the downtown area. Visitors at concerts, sports events, restaurants, or entertainment venues, as well as residents who live downtown, will see first-hand the improvements to the district. Douglas Avenue is a key connector for automobile, transit, and pedestrian mobility, and the outlined initiatives will have a positive visual impact for the district and will help foster continued development, investment, and support.



## 5. Focusing on Economic Development

**Issue** - The City of Wichita is improving regional partnerships in order to grow jobs, promote investment, and recruit talent.

Economic Development is consistently rated as one of the top priorities for Wichita residents. The City of Wichita has embarked on new partnerships that leverage the export-driven nature of the Wichita economy in order to grow jobs, promote investment, and recruit talent.

The Greater Wichita Partnership serves as a coordinating partner for efforts to attract businesses to the region. In addition to the Greater Wichita Partnership, the State of Kansas, particularly the Department of Commerce, Department of Transportation, and Department of Agriculture are key to business development efforts in the Wichita region. The May 24, 2016 announcement that Cargill will remain in Wichita and construct a new facility is a outcome of that partnership. Additionally, the Greater Wichita Partnership is initiating an effort to recruit talent, which is key for businesses locating or growing in Wichita.

International trade is critical to the Wichita economy. The Wichita region excels in the manufacture of aircraft, machinery, and agricultural equipment, as well as the production of oil and gas. The City

of Wichita partners with Kansas Global Trade services to encourage foreign direct investment in the Wichita region and unlock opportunities for Wichita companies to export products internationally. The City of Wichita is exploring the opportunity to create more ties to Mexico, which is the United States' second-largest trading partner. In addition to Wichita-area businesses exporting products to Mexico, and Mexican companies exporting products to the Wichita region, opportunities for foreign direct investment will also be pursued.

The Blueprint for Regional Economic Growth (BREG) continues to be at the center of efforts to grow the region's economy. The Blueprint identifies clusters that drive the economy as well as foundations for growth. Industry leaders collaborate through clusters and cross cutting initiatives, such as logistics or exports, to position the Wichita economy for growth that builds upon existing strengths.

This new approach to Economic Development is collaborative and focuses on outcomes that matter to Wichita residents: growing jobs and growing the economy.

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## 6. Addressing Golf Program Sustainability

**Issue** - The costs of the Wichita Public Golf Courses are recovered exclusively by user fees. The continued operations of the Golf System are sustainable, but identifying adequate funding for capital expenditures and debt repayment is expected to be challenging.

The Park and Recreation Department operates five golf courses that provide high quality golfing experiences at affordable prices. These courses are a component of the quality of life in Wichita. However, the golf industry is mature. Fundamentally, the sport of golf has suffered from a decline in popularity. While rounds at Wichita courses have improved recently, the level of play peaked in 1997 when 203,074 rounds were played. Activity has been considerably lower since, though the capacity of Wichita Golf increased when Auburn Hills Golf Course opened in 2001.

Compared to the 1997, rounds in 2015 were 82% of that amount, even though capacity was 25% higher. Even during years with very favorable weather, such as 2012, when 178,886 rounds were played, it was still 12% less than the 1997 peak. This challenge is not unique to Wichita.

Recently, the Park and Recreation Department has attempted to shore up the financial position of the Golf Fund by increasing fees, providing improved customer service and offering new programs and tournaments. These efforts have been successful, increasing play and fund revenues, although not to the level required to

adequately replace capital equipment such as golf carts and turf mowers.

In order to ensure the sustainability of Wichita Golf in this challenging environment, staff are focused on financial performance, marketing, and equipment replacement. Financial trends and the fund balance are closely monitored with a focus on retiring debt for Auburn Hills construction. Marketing efforts are focused on using multiple mediums, including an app, to increase rounds played and clubhouse sales. Additionally, staff are reviewing mechanisms to fund needed capital equipment replacement, particularly golf carts. However, it is likely that a fundamental strategic or policy shift may be necessary to ensure the long-term viability of the Golf Fund at some point.

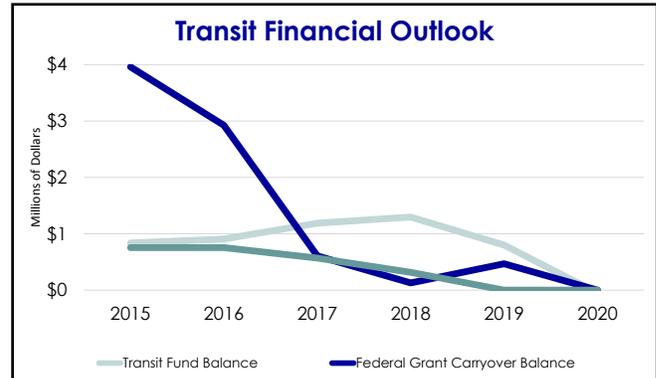


## 7. Sustaining the Transit Fund in the Short-term

**Issue** - Last year, the City Council took steps to address a projected funding shortfall for Transit in 2016. Since that time, the short-term outlook for the fund has improved. However, long-term, structural challenges remain and must be addressed in the future.

During last year's budget development for 2016, staff indicated a possible \$2 million shortfall for Wichita Transit. The City Council approved a short-term plan to shift federal funds, anticipate lower fuel costs, and use a loan from the Permanent Reserve Fund. This plan was expected to fund Transit through 2016.

During the development of the 2017-2018 Proposed Budget, staff prepared a comprehensive forecast for the Transit Fund that incorporates recent route changes, a re-examination of capital needs, revisions to fuel price assumptions, and an evaluation of available grant funding for both the operating and capital budgets. Based on this review, the Transit Fund may be sustainable through 2019. However, it is clear that longer-term, the Transit Fund continues to be unsustainable and may experience a shortfall in 2020. In addition, the more favorable short-term outlook is based on several key assumptions: primarily that fuel costs will remain relatively favorable, and that federal and state grants will remain similar to current levels. The short-term outlook for the Transit Fund is shown below.



costs. Staff will continue to take steps to mitigate fuel costs by locking in pricing. However, there is considerable risk as fuel prices may increase more than forecasted. Paratransit costs are also a significant cost driver. The forecasts assume moderate growth in this area. Any strategic changes impacting the paratransit cost structure could materially alter the forecast.

TRANSIT FUND MULTI-YEAR OVERVIEW			
	2015	2016	2017
<b>Starting Fund Balance</b>	<b>(\$143,452)</b>	<b>\$605,538</b>	<b>\$585,282</b>
Revenue	2,984,324	2,050,339	2,060,339
Transfers In	3,725,080	3,475,080	3,775,080
<b>Revenue Total</b>	<b>\$6,709,404</b>	<b>\$5,525,419</b>	<b>\$5,535,419</b>
<b>Expenditures Total</b>	<b>\$4,937,575</b>	<b>\$5,545,676</b>	<b>\$5,754,209</b>
<b>Net Gain/ (Loss)</b>	<b>\$1,771,829</b>	<b>(\$20,257)</b>	<b>\$281,210</b>
<b>Assets/(Liabilities)</b>	<b>(\$1,022,839)</b>		
<b>Ending Fund Balance</b>	<b>\$605,538</b>	<b>\$585,282</b>	<b>\$866,492</b>

Transit has sizable capital requirements. However, with recent bus purchases, a need for significant, capital expenditures from 2017—2020 is not anticipated. This will allow federal grant funds to be diverted to operations. In addition, any remaining capital expenditures during this period can be financed by eroding the current carry-over balance in federal grants. Using this strategy, by approximately 2018 Transit will have minimal remaining federal grant carry-over funds, and no sustainable funding source for future capital needs.

The revised forecast is also based on several key assumptions regarding significant cost drivers. Fuel is a very significant expense. Fuel prices have been considerably lower than expected, which has benefited the fund. Pricing has been locked in through March 2017. After that time, the forecast assumes an increase in

Farebox receipts are an important revenue stream for the Transit Fund. The forecast assumes a dip in receipts due to recent route re-alignments. However, future ridership changes could materially impact farebox revenues, and change the forecast. The forecasting model assumes similar levels of federal and state funding annually. Finally, \$300,000 was added to the General Fund transfer to the Transit Fund. This amount will enhance the structural sustainability of the Transit Fund by using the funds to repay a loan to the Tort Fund, as well as provide a reserve for future tort claim costs.

The long-term outlook for the Transit Fund has not changed. The Fund is unsustainable. There is no funding source for future capital needs, and the status of the fund is largely dependent on moderate fuel prices and the continuation of federal and state grant funding. As a result, an outcomes-based approach to mobility will explore combining car-based solutions with transit to improve access to opportunity, referencing the Urban Institute model. Nonetheless, the Transit Fund is in better condition than reported last year due to favorable fuel pricing, the presumed depletion of grant fund carry-over balances, and the re-evaluation of short-term capital needs.



## 8. Considering the Impact of the Property Tax Lid

**Issue** - In 2016, the State of Kansas updated a law requiring Kansas city and county governments to hold an election if the local legislative bodies levy taxes greater than the adjusted Consumer Price Index rate. This will present challenges for the City Council to respond to future service demands for quality of life, street maintenance and transit services.

The Property Tax Lid Law, or Kansas Senate Bill 316, was introduced in 2014 as a way of introducing direct voter approval of property tax levels. The resulting legislation, amended in both the 2015 and 2016 legislative sessions, will, with a few exceptions, limit property tax levels to the growth in the Consumer Price Index (CPI). While the City of Wichita has a long history of maintaining a stable mill levy rate and aggressively controlling expenditures, the property tax lid will significantly reduce flexibility to respond to the continuing demand for quality of life, street maintenance and transit services.

Based on the legislative amendments in 2015 and 2016, there are two property tax lid scenarios impacting the City. For the 2017 Budget, the property tax lid limits taxes levied to growth in the assessed valuation base from new construction, change in use and annexation. However, all other growth is limited to the CPI rate in 2015. This rate has been identified by the State as 0.125%, or 1/8 of one percent.

After averaging 0.4% annual decreases from 2010 to 2016, valuation is estimated to grow in 2017 by 1.4% due to reappraisal. Since this exceeds the 2015 CPI rate established by the State of Kansas of 0.125%, the City will exceed the property tax lid limit for the 2017 Budget.

ESTIMATED VALUATION GROWTH COMPONENTS				
	REAPPRAISAL	NEW CONSTRUCTION	OTHER	TOTAL
2010	-1.0%	2.3%	-1.1%	0.2%
2011	-0.3%	1.2%	-1.0%	0.0%
2012	-0.7%	1.0%	-0.3%	0.1%
2013	-2.1%	1.0%	-0.2%	-1.3%
2014	-0.3%	1.1%	-0.4%	0.4%
2015	0.0%	1.4%	-0.6%	0.8%
2016	0.4%	1.4%	-0.4%	1.4%
2017	1.4%	1.4%	-0.2%	2.6%

*Note: Amount may not sum to totals due to rounding.*

**Property Tax Lid Impact on the 2017 Budget** - The 2017 Proposed Budget will require the City Council to vote to exceed the property tax lid limitation. Based on state statute, if the tax levy included in the Proposed Budget is approved, a "Notice of Vote" will be published in the official newspaper. An example of the "Notice of Vote" format, as provided by the State, is shown.

**Notice of Vote**

**In adopting the 2017 budget the governing body voted to increase property taxes in an amount greater than the amount levied for the 2016 budget, adjusted by the 2015 CPI for all urban consumers. \_\_\_\_\_ members voted in favor of the budget and \_\_\_\_\_ members voted against the budget.**

If the 2017 Proposed Budget is adopted without exceeding the property tax lid limit, staff estimate that the levy would have to be reduced by \$902,102 from the level proposed in the 2017 Budget. While implementing such a reduction is a policy matter, it would require a significant reduction in the levels of service provided to Wichita residents.

**Property Tax Lid Impact on the 2018 Budget** - Beginning in 2018, the property tax lid law would require approval by the electorate of any attempt to levy taxes at a rate higher than the average CPI rate for the previous five years. While there are exemptions for certain public safety costs, as well as expenditures in other areas, the provisions of the property tax lid in 2018 will likely have a significant impact on City services. Most likely the five-year average CPI used for the 2018 budget will be around 1%. If City valuation growth in 2018 is similar to the estimate for 2017, the City will likely be very close to or slightly over the property tax lid in 2018. This will possibly limit the City's ability to maintain current service levels in priority areas.

The future property tax lid will also significantly curtail local flexibility to address potential issues and provide services considered a top priority by residents. Any public engagement effort on whether to hold an election to exceed the property tax lid in a given year would be confined to a very short period of time in June, between when the valuation estimate is received from the County and when the City would be required to notify the county of the intent to hold an election.



## 9. Consolidating Parking and Mobility

**Issue** - Parking operations will transition to a model where parking and mobility are combined in order to implement a plan that improves multi-modal mobility, particularly in downtown in coordination with transit.

The coordination of parking functions has transitioned from a decentralized model over the past ten years to a more centralized approach. The impetus to improving parking operations was the opening of the INTRUST Bank Arena in 2010. During the second phase, all parking system financial activity was consolidated in the Parking Fund.

The next phase of improvements will build upon earlier efforts to create linkages between parking options and other mobility modes. Providing residents and guests with greater options for mobility is a result of community engagement from planning efforts for Project Downtown, the Pedestrian Master Plan, the Bicycle Master Plan, and the Community Investments Plan.

This effort will involve coordination with Wichita Transit as well as other stakeholders to further implement existing plans in order to improve mobility outcomes. Parking will be linked other modes, particularly transit, walking, and bicycling. In the 2016 Revised

Budget a position is proposed to be moved from the Metropolitan Area Planning Department to the City Manager's Office to coordinate this interdepartmental effort.



Existing infrastructure and planning efforts provide a solid foundation for implementing mobility improvements. With additional staff focus on this area, anticipated outcomes should be an increased percentage of people traveling by alternate modes, increased pedestrian traffic downtown, and improved ratings on the citizen survey for transit, walking, parking, and bicycling.

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## 10. Reviewing Sedgwick County Service Impacts

**Issue** - The Proposed Budget reflects an updated approach to services that have been provided in coordination with Sedgwick County: permitting and inspections, planning, and day reporting.

In 2013, the City and County began efforts to merge building and construction inspection and permitting efforts into the Metropolitan Area Building and Construction Department (MABCD). Since 2014 the main priority has been the co-location of staff in one building. A facility was purchased in 2015 by Sedgwick County, and following renovations, staff from MABCD and the Metropolitan Area Planning Department (MAPD) will be relocated to the facility in 2016.

Starting in 2017, MABCD financial transactions will be processed by the Sedgwick County, since the inspection software has been transitioned to its IT Department. As City of Wichita staff working in the Building Construction and Inspection division leave service, replacement staff will be hired by Sedgwick County. The 2016 Revised Budget for the MABCD Fund includes costs associated with the move such as meeting room technology and network data connections.

The MAPD is funded by program fees and the balance is split evenly between Sedgwick County and the City of Wichita. In 2013, the County reduced their contribution by 10% from \$822,601 to \$740,341. The contribution was further reduced in 2016 by 21%, to \$584,858. Since costs are split evenly, the declines in support dra-

matically impacted staffing levels. An updated organizational structure reflects County priorities and addresses previous concerns. It has been reviewed by both the County and City. The resulting operating support level of \$628,635 from both Sedgwick County and the City of Wichita will start in 2017.

Day reporting had been provided by Sedgwick County since 2006. It is an alternative to incarceration so that defendants receive substance abuse treatment, intervention programming, and monitoring, rather than being ordered to jail. In 2015 the City was notified that these services would not be funded by Sedgwick County after July 1, 2016. Day reporting is an important option for Municipal Court judges in order to provide alternative sentencing arrangements and to provide treatment services for defendants. Because of its community impact, the Proposed Budget includes funding for day reporting from the Special Alcohol & Drug Fund starting in July 2016.

In each of these cases the City of Wichita has coordinated with Sedgwick County as closely as possible in order to ensure service continuity. As future opportunities arise the City of Wichita would look forward to collaboration in order to improve service efficiencies and outcomes.

## 11. Assessing Infrastructure

**Issue** - The Community Investments Plan prioritizes “taking better care of what we already have.” Public Works & Utilities has begun efforts to identify maintenance backlogs across asset types.

Since 2014, the Public Works & Utilities Department has initiated studies for infrastructure: streets, stormwater, water and sewer utilities, fleet, and facilities. These studies will result in new performance measures and models to make maintenance decisions. Because maintenance funding is limited, these models will provide guidance for decisions about how to maintain infrastructure, when it is most advantageous to replace infrastructure, and how to leverage the greatest return on investment for maintenance funding.

### Streets

Wichita’s street network was the first asset type to be reviewed. This effort, which began in 2014, has resulted in an approach that emphasizes preservation over rehabilitation. The more objective approach focuses on maximizing return on investment by utilizing measures such as remaining service life and the value of paved street network. The annual Outsourced Pavement Preservation Program (OP3) uses data to determine what contracted street maintenance rehabilitation projects should be completed each year. However, mitigation of streets that are in poor condition is still a consideration when determining what streets will be addressed. In 2015 the OP3 included lower ROI mitigation pilot treatments on many of the City’s streets in the worst condition.

In addition to the OP3 Program, daily maintenance efforts keep streets traversable. Pilot programs slated to start in 2016 include dust control services near schools and spot repair work that would otherwise not be completed as part of the Outsourced Pavement Preservation Program.

*Dust Control:* Magnesium chloride (MgCl<sub>2</sub>) will be applied eight times as part of an initial contract. Chemical applications will help minimize the release of dust into the air from unpaved streets near eight Wichita schools.

*Spot Street Repairs:* Up to \$172,000 in outsourced spot repair work will be completed as part of an initial contract. Additional “hot spot” repairs will address targeted maintenance concerns that would otherwise not be addressed as part of the Outsourced Pavement Preservation Program.

*Additional Street Maintenance Opportunities:* Spray injection patching machinery and one-person trucks may help reduce maintenance costs and allow existing resources to be used to address deferred maintenance. Street maintenance is scalable and additional resources, when available, can be programmed to maintain streets and reduce deferred maintenance.

### Stormwater

The Stormwater Utility is funded by an Equivalent Residential Unit (ERU) that funds maintenance costs (60%) and system improvements (40%). Though the Stormwater Utility Fund is sustainable during the planning period, the backlog of maintenance projects exceeds available funding. Furthermore, there are additional system improvements to mitigate flooding that cannot be programmed with available funding. An ongoing cost of service analysis will result in an estimated value for the maintenance backlog as well as funding options that would address maintenance and system improvements.

### Water and Sewer Utilities

The Water and Sewer Utilities Optimization Project was initiated in November 2015 so that the Public Works & Utilities staff could harness technical expertise from an outside perspective. The project will result in an inventory of the deferred maintenance backlog, prioritize risks and improvements, and develop a risk analysis. This will provide guidance in regards to asset management, staffing, and rate neutral revenue opportunities. The renewal and replacement rate compares the expenditures for system maintenance compared to the total depreciated system assets.

### Fleet

Fleet Maintenance is responsible for 3,000 vehicles and pieces of equipment that allow City of Wichita employees to perform their jobs, from fire engines and patrol cars, to dump trucks and graders. Wichita State University is currently reviewing the rate model and replacement cycles in order to optimize service life and maintenance practices. The result should be a reduction in total asset lifecycle costs without compromising service availability.

### Facilities

The City of Wichita has an inventory of over 350 buildings with approximately 5.8 million square feet of floor space and over 75 facility components, such as pools, fountains, park lighting, and plazas. A small sample of public facilities has undergone a Facility Condition Assessment and received a corresponding index rating. Public Works & Utilities is assessing the complete inventory of buildings using this methodology in order to determine present and future liabilities. This analysis is expected to maximize return on investment when making future maintenance decisions.

The Community Investments Plan provides an important vision for what the community could look like several decades into the future. Maintaining infrastructure was identified as one of five guiding principles of the plan. Efforts to assess infrastructure are a reflection of the guiding role that the Community Investments Plan plays in organizational decision making.



## OTHER

**Calculating the City Mill Levy Requirement.** A mill is \$1 of tax for every \$1,000 of assessed value on real and personal property. The mill levy is recalculated every year and is based on the tax dollars needed for financing the City budget.

First, the City (the taxing district) arrives at a total amount for expenditures in the taxing funds. In Wichita these funds are the General Fund and the Debt Service Fund. After expenditure totals are known, all other revenue sources (non-property taxes and fees) are subtracted. The remainder is the amount to be raised from ad valorem (property) taxes.

A City residential property owner will pay taxes to support the City budget, based on the market value of the owner's property, times the assessment ratio (11.5% for residential property), times the tax levy rate (mills divided by 1,000), as illustrated in the three examples to the right. Rates for other properties are: commercial, 25%; real property used by nonprofits, 12%; public utility, 33%; vacant lots, 12%; agricultural use, 30%; all others, 30%.

Tax Rates for the 2017 Budget Year (Based on Estimated 2016 Values)		
Assessed Valuation:		
	TAXES TO BE LEVIED (Including Delinquencies)	MILL LEVY
General Fund	\$79,167,868	24.186
Debt Service Fund	\$27,822,992	8.500
<b>Total</b>	<b>\$106,990,860</b>	<b>32.686</b>

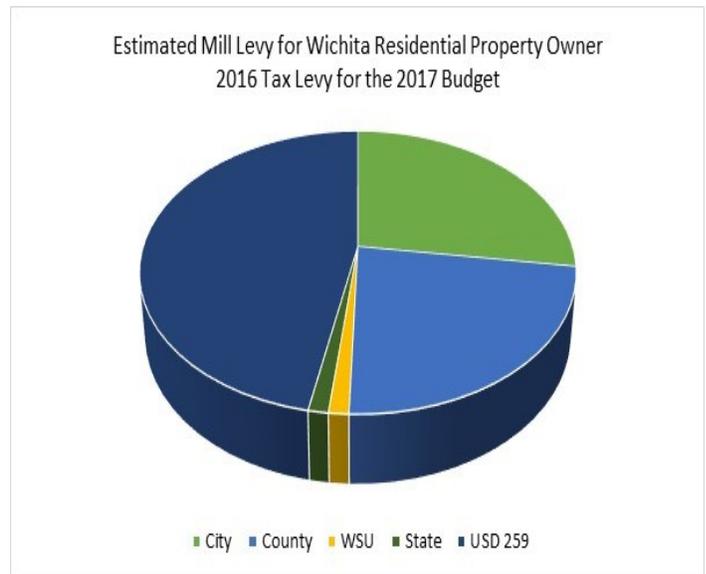
MARKET VALUE	X	ASSESSMENT RATIO	X	CITY TAX LEVY RATE	=	ESTIMATED CITY TAXES
\$100,000	X	11.5%	X	0.032686	=	\$376
\$150,000	X	11.5%	X	0.032686	=	\$564
\$200,000	X	11.5%	X	0.032686	=	\$752

*The assessed value is the market value times the classification rate. For example, the assessed value of a \$150,000 home (for purposes of taxation) is \$150,000 times 11.5%, or \$17,250.*

TAXING DISTRICT	TAX LEVY RATE	PERCENT OF TOTAL
City of Wichita	32.686	27.3%
Sedgwick County*	27.883	23.2%
WSU*	1.5000	1.3%
U.S.D. 259*	56.278	46.9%
State*	1.5000	1.3%
<b>Total</b>	<b>119.847</b>	<b>100.0%</b>

\* Levies for other jurisdictions are estimated based on the 2015 tax year levy.

The tax levy rate is calculated by dividing the total revenue to be obtained from property taxes by the total assessed value for the taxing district. The table above shows the estimated 2016 tax year rates (based on preliminary assessed valuation estimates), which will be used to finance the 2017 budget.

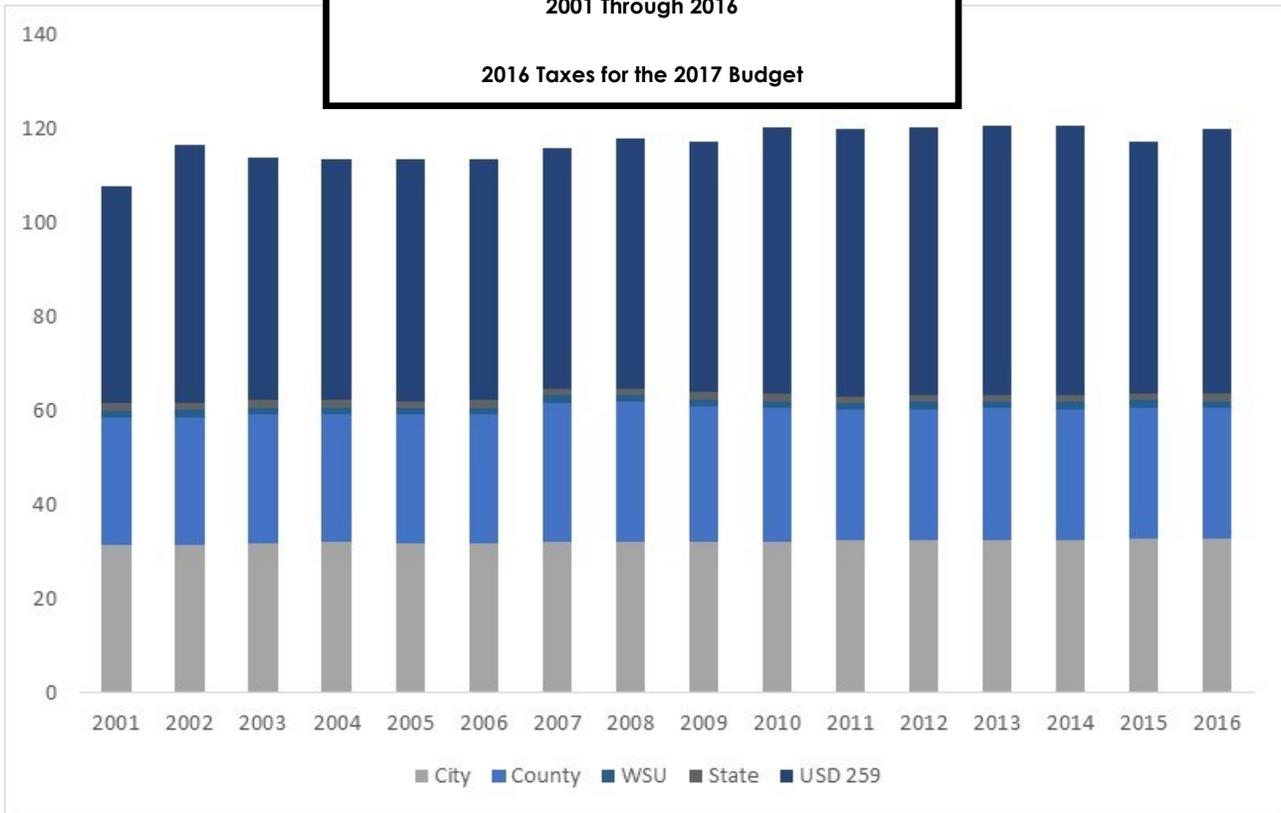




## OTHER

**Components of Total Mill Levy  
For Wichita Residential Property Owners  
2001 Through 2016**

**2016 Taxes for the 2017 Budget**

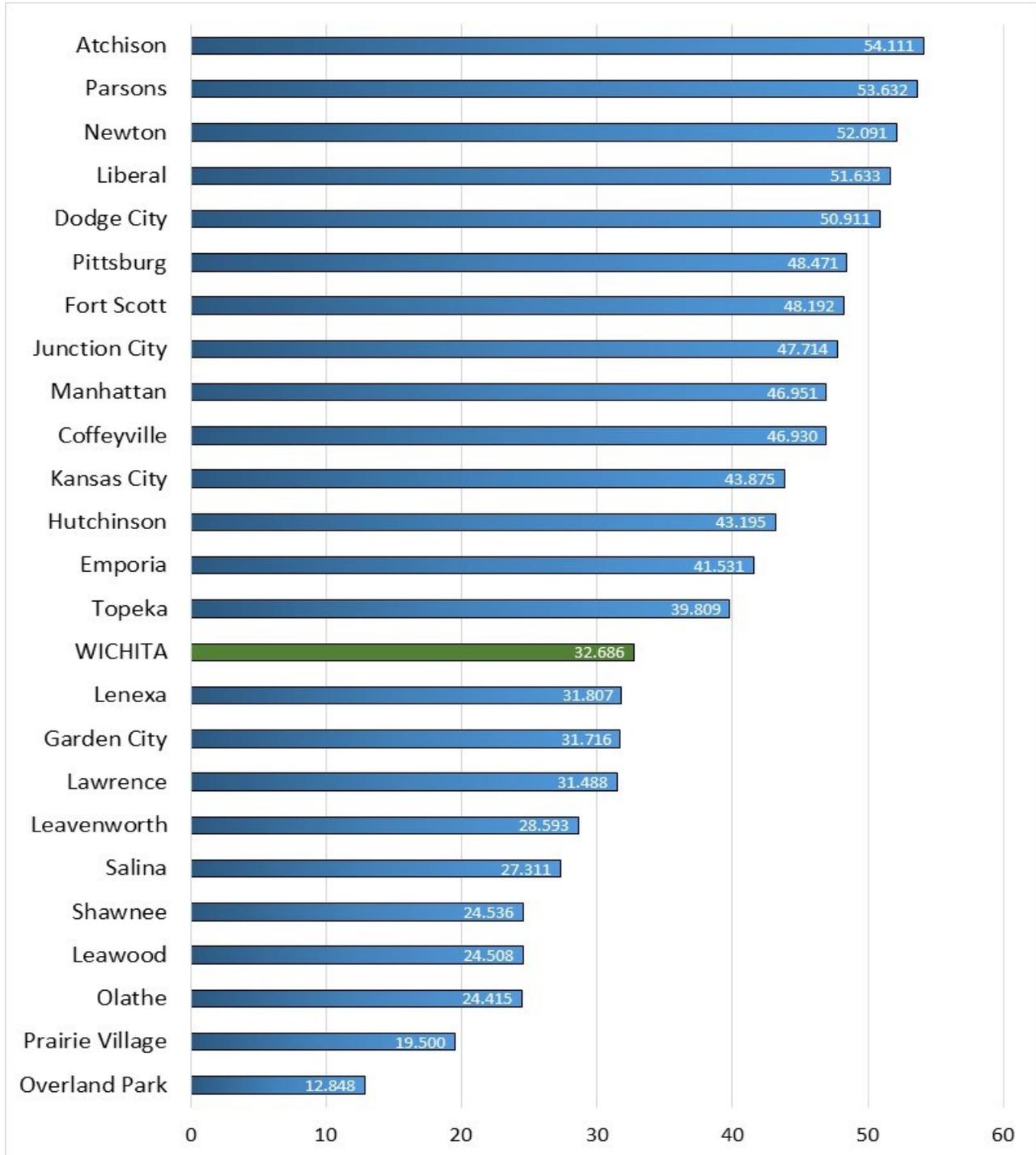


**COMPONENTS OF THE TOTAL MILL LEVY  
FOR WICHITA RESIDENTIAL PROPERTY OWNER - 2001 THROUGH 2016  
2016 TAXES FOR THE 2017 BUDGET**

BUDGET YEAR	CITY	COUNTY	WSU	STATE	USD 259	TOTAL
2001	31.359	27.057	1.543	1.500	46.163	107.622
2002	31.474	27.154	1.500	1.500	54.926	116.554
2003	31.845	27.276	1.500	1.500	51.839	113.960
2004	31.905	27.322	1.500	1.500	51.408	113.630
2005	31.828	27.263	1.500	1.500	51.296	113.387
2006	31.898	27.258	1.500	1.500	51.300	113.456
2007	31.953	29.815	1.500	1.500	51.296	116.064
2008	31.979	29.833	1.500	1.500	53.238	117.050
2009	32.056	28.877	1.500	1.500	53.309	117.242
2010	32.142	28.368	1.500	1.500	56.850	120.360
2011	32.272	27.857	1.502	1.500	56.928	120.059
2012	32.359	27.928	1.500	1.500	57.018	120.305
2013	32.471	27.947	1.500	1.500	57.184	120.602
2014	32.509	27.877	1.500	1.500	57.215	120.601
2015	32.651	27.978	1.500	1.500	53.735	117.365
2016	32.686	27.883	1.500	1.500	56.278	119.847



Wichita has a lower mill levy than fourteen of the twenty-five Kansas cities of the first class. The ten cities with a lower mill levy than that of Wichita all impose a local city sales tax in addition to the local county sales tax.



Source: 2015 Kansas League of Municipalities  
Kansas Tax Rate & Fiscal Data Book



## OTHER

CITY	POPULATION	CITY LEVY	FIRE LEVY	COMBINED LEVY
Andale	981	41.862	18.371	60.233
Andover	12,509	38.525	0	38.525
Argonia	492	56.563	0	56.563
Augusta	9,242	43.043	0	43.043
Bel Aire	7,284	46.246	18.371	64.617
Belle Plaine	1,627	77.824	3.958	81.782
Bentley	524	53.629	18.371	72.000
Benton	872	55.230	4.446	59.676
Burrton	893	64.887	7.393	72.280
Caldwell	1,034	74.661	0	74.661
Cassoday	128	17.339	5.586	17.339
Cheney	2,153	60.740	0	60.740
Clearwater	2,531	53.999	0	53.999
Colwich	1,362	47.911	0	47.911
Conway Springs	1,239	69.811	0	69.811
Cunningham	470	71.892	0	71.892
Derby	23,234	47.009	0	47.009
Douglass	1,692	56.920	9.299	66.219
Eastborough	769	64.664	0	64.664
Elbing	227	23.363	0	23.363
El Dorado	12,879	47.046	5.337	52.383
Garden Plain	879	48.874	18.371	67.245
Geuda Springs	183	36.730	7.571	44.301
Goddard	4,692	31.164	18.371	49.535
Halstead	2,084	68.549	0	68.549
Haysville	11,112	48.646	18.371	67.017
Hesston	3,734	33.852	0	33.852
Hunnewell	66	21.507	0	21.507
Kechi	1,982	33.699	18.371	52.070

CITY	POPULATION	CITY LEVY	FIRE LEVY	COMBINED LEVY
Kingman	3,094	59.290	0	59.290
Latham	138	58.458	11.312	69.770
Leon	697	44.148	5.009	49.157
Maize	4,073	43.030	18.371	61.401
Milan	80	65.869	0	65.869
Mount Hope	814	54.612	0	54.612
Mulvane	6,289	42.262	0	42.262
Nashville	63	39.454	0	39.454
Newton	19,120	52.091	0	52.091
North Newton	1,788	41.180	0	41.180
Norwich	475	84.181	0	84.181
Oxford	1,022	49.367	2.480	51.847
Park City	7,556	40.111	18.371	58.482
Penalosa	17	20.229	0	20.229
Potwin	436	90.652	0	90.652
Rose Hill	3,960	44.021	6.986	51.007
Sedgwick	1,701	62.783	0	62.783
South Haven	353	71.695	0	71.695
Spivey	76	19.875	0	19.875
Towanda	1,427	53.306	0	53.306
Valley Center	7,057	55.446	0	55.446
Viola	131	22.181	18.371	40.552
Walton	239	51.770	7.000	58.770
Wellington	7,942	53.965	0	53.965
Whitewater	707	58.531	5.337	63.868
Zenda	88	46.257	0	46.257
<b>WICHITA</b>	<b>388,413</b>	<b>32.686</b>	<b>0.000</b>	<b>32.686</b>
<b>AVERAGE COMBINED CITY MILL LEVY</b>				<b>54.526</b>

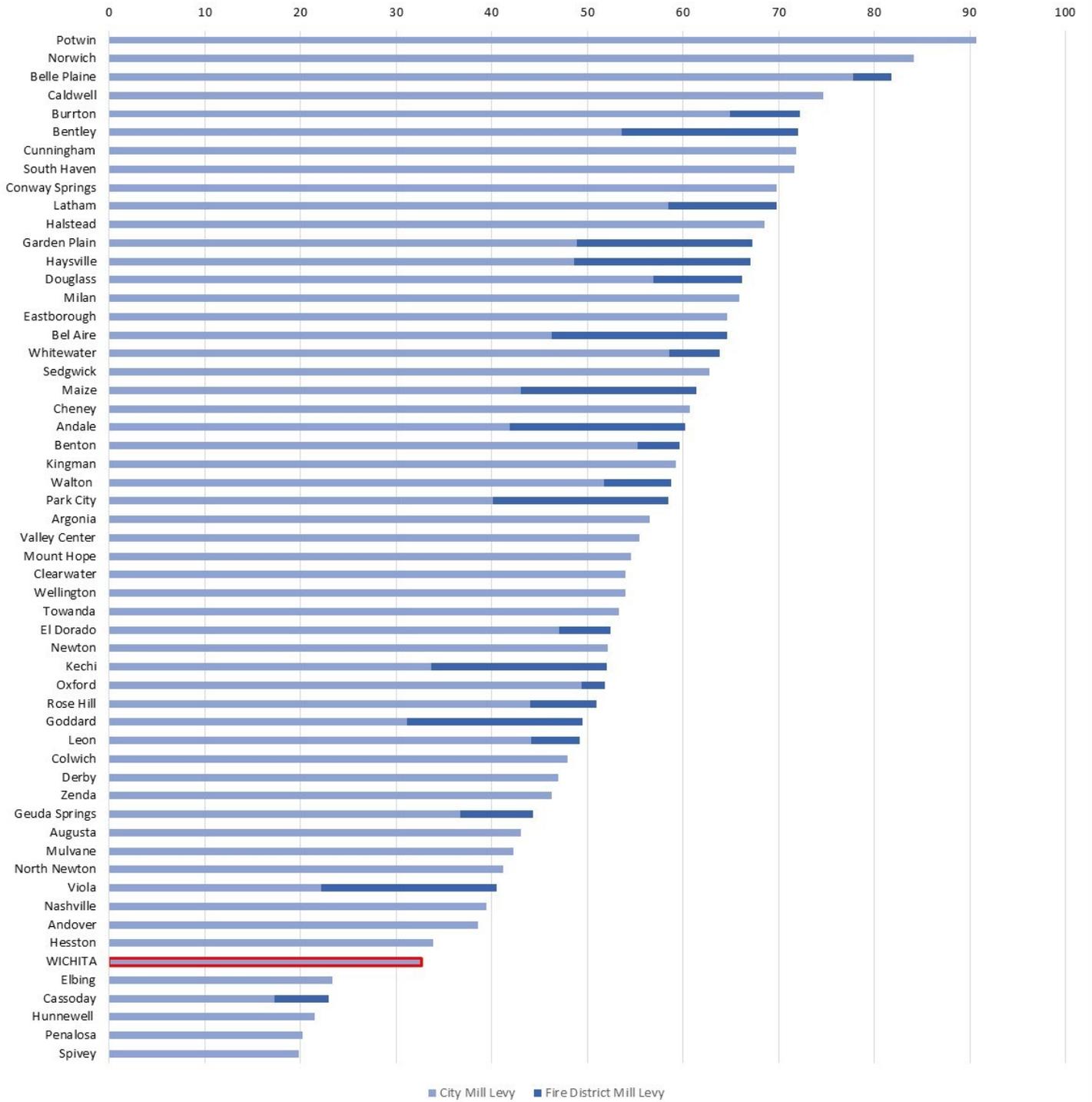
Source: 2015 Kansas League of Municipalities Kansas Tax Rate & Fiscal Data Book

First, Second, and Third Class Cities  
 Wichita Metropolitan Statistical Area:  
*Butler, Harvey, Kingman, Sedgwick, and Sumner Counties*  
 2016 Mill Levies for the 2017 Budget

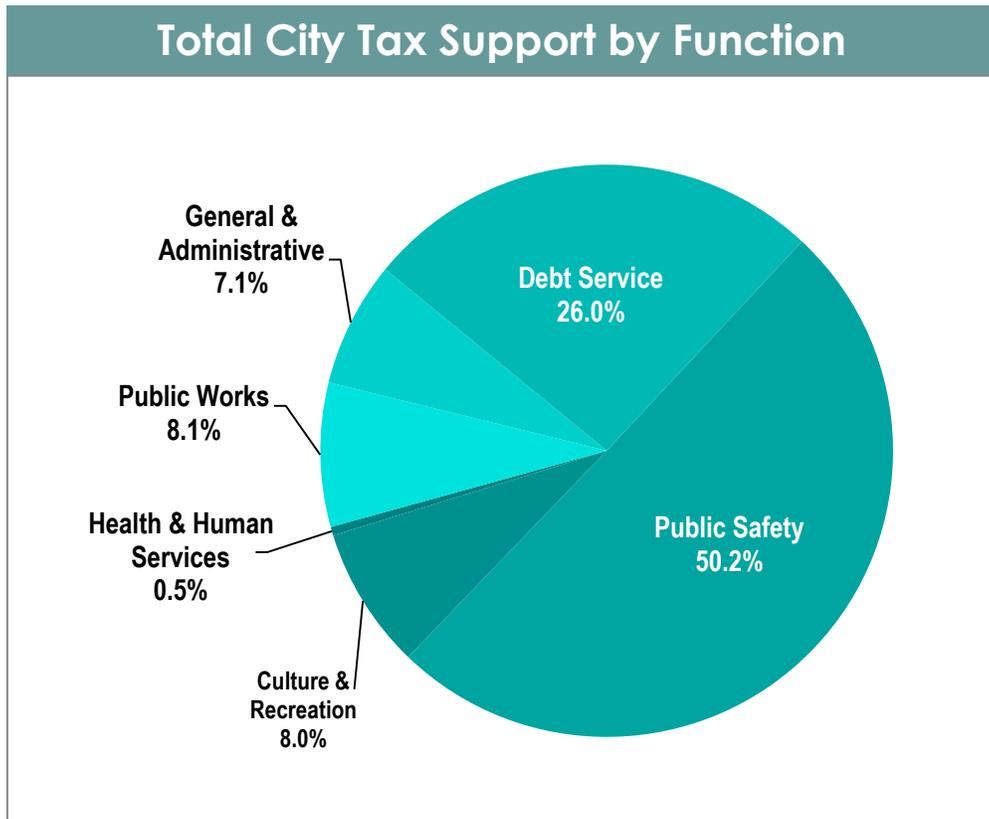


## OTHER

Combined City Mill Levies, Including Fire District Levies  
 Wichita Metropolitan Statistical Area  
 2016 Mill Levies for the 2017 Budget



Source: 2015 Kansas League of Municipalities  
 Kansas Tax Rate & Fiscal Data Book



### 2017 Funding Sources for General Fund Budgets by Function

FUNDING SOURCE	PUBLIC SAFETY	PUBLIC WORKS / TRANSPORTATION	CULTURE AND RECREATION	HEALTH AND HUMAN SERVICES	ADMINISTRATION AND GENERAL	TOTAL
<b>Current property taxes:</b>						
Dollars (1000's)	\$50,073,061	\$8,114,116	\$8,005,086	\$482,835	\$7,068,921	\$73,744,019
Percent of budget	36%	19%	32%	39%	27%	32%
<b>Other general funding:</b>						
Dollars (1000's)	84,039,832	12,265,136	12,100,325	729,845	10,171,982	119,307,120
Percent of budget	61%	29%	49%	59%	39%	52%
<b>Department-generated:</b>						
Dollars (1000's)	3,453,644	21,243,672	4,722,210	19,900	4,873,379	34,312,805
Percent of budget	3%	51%	19%	2%	19%	15%
<b>Administrative charges:</b>						
Dollars (1000's)	0	0	0	0	3,714,571	3,714,571
Percent of budget	0%	0%	0%	0%	3%	2%
<b>TOTAL FUNDING</b>	<b>\$137,566,537</b>	<b>\$41,622,924</b>	<b>\$24,827,621</b>	<b>\$1,232,580</b>	<b>\$25,828,853</b>	<b>\$231,078,516</b>



## OTHER

The property tax subsidy is the amount left after all other revenue sources are allocated and subtracted. Other revenues include those directly generated by the department, administrative services provided to non-General Fund departments, and general sources (for example, franchise fees and local sales tax).

BY DEPARTMENT	2017 PROPOSED BUDGET		TAX SUPPORT	TAX SUPPORT	TAX SUPPORT
	PROPERTY TAX SUBSIDY	TOTAL PROPERTY TAX LEVIED (\$)*	BY OWNER OF HOME VALUED AT \$100,000	BY OWNER OF HOME VALUED AT \$150,000	BY OWNER OF HOME VALUED AT \$200,000
Police	30,546,070	32,792,732	\$115.21	\$172.82	\$230.42
Fire	16,825,140	18,062,620	\$63.46	\$95.19	\$126.92
Public Works & Flood Control	6,611,050	7,097,287	\$24.93	\$37.40	\$49.87
Park	4,822,060	5,176,722	\$18.19	\$27.28	\$36.37
Library	3,183,030	3,417,136	\$12.01	\$18.01	\$24.01
Municipal Court	2,117,920	2,273,691	\$7.99	\$11.98	\$15.98
Transit	1,503,070	1,613,620	\$5.67	\$8.50	\$11.34
Finance	1,598,560	1,716,129	\$6.03	\$9.04	\$12.06
City Manager	1,718,380	1,844,766	\$6.48	\$9.72	\$12.96
Non-Departmental	2,618,679	2,811,298	\$9.88	\$14.82	\$19.75
Law	583,930	626,875	\$2.20	\$3.30	\$4.40
Human Resources	580,310	622,989	\$2.19	\$3.28	\$4.38
City Council	396,400	425,551	\$1.50	\$2.24	\$2.99
Metro. Building and Construction	389,130	417,749	\$1.47	\$2.20	\$2.94
Planning	250,290	268,704	\$0.94	\$1.42	\$1.89
<b>General Fund</b>	<b>\$73,744,019</b>	<b>\$79,167,868</b>	<b>\$278.14</b>	<b>\$417.21</b>	<b>\$556.28</b>
<b>Debt Service Fund</b>	<b>\$25,914,845</b>	<b>\$27,822,992</b>	<b>\$97.75</b>	<b>\$146.63</b>	<b>\$195.50</b>
<b>TOTAL CITY TAX BILL</b>	<b>\$99,658,864</b>	<b>\$106,990,860</b>	<b>\$375.89</b>	<b>\$563.83</b>	<b>\$751.78</b>
<b>BY FUNCTION</b>					
Public Safety	50,073,061	53,755,918	\$188.86	\$283.29	\$377.72
Public Works/Transportation	8,114,116	8,710,907	\$30.60	\$45.91	\$61.21
Culture and Recreation	8,005,086	8,593,857	\$30.19	\$45.29	\$60.39
Health and Human Services	482,835	518,347	\$1.82	\$2.73	\$3.64
Administration and General	7,068,921	7,588,838	\$26.66	\$39.99	\$53.32
<b>General Fund</b>	<b>\$73,744,019</b>	<b>\$79,167,868</b>	<b>\$278.14</b>	<b>\$417.21</b>	<b>\$556.28</b>
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\* The total levy includes a delinquency allowance of 6.0 percent. The City levy, expressed in mills, is estimated at 32.686 (General Fund and Debt Service Fund). It is based on an assessed valuation of \$3,273,293,158.

## OLD TOWN SQUARE

