

How soon does WAMPO have to be notified of Kechi's intent to accept the grant? How will Kechi make the decision to accept the grant?

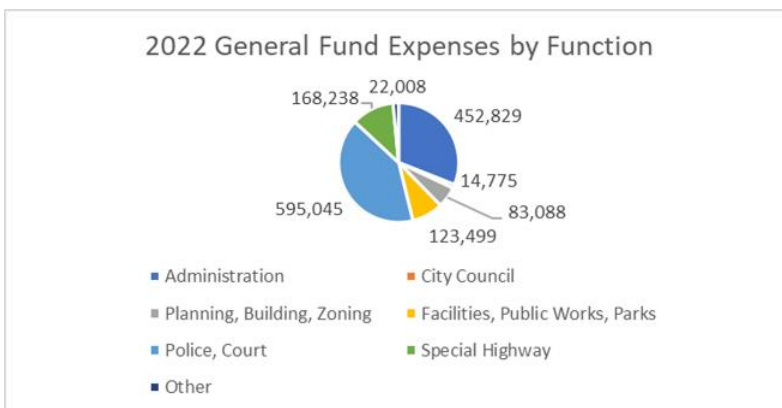
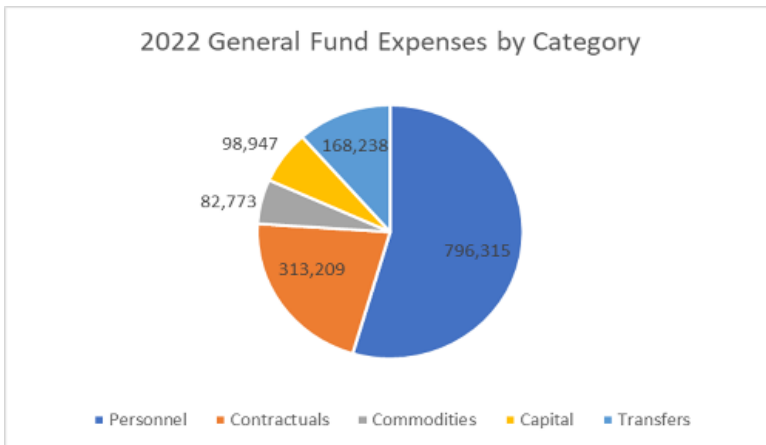
The Kechi elected governing body accepted the grant in 2018.

Fiscal Health

1. What is the fiscal health of the city going into this improvement project?
2. Is the City of Kechi in good fiscal health in choosing now to embark on moving forward with the Arts and Business District Master Plan?

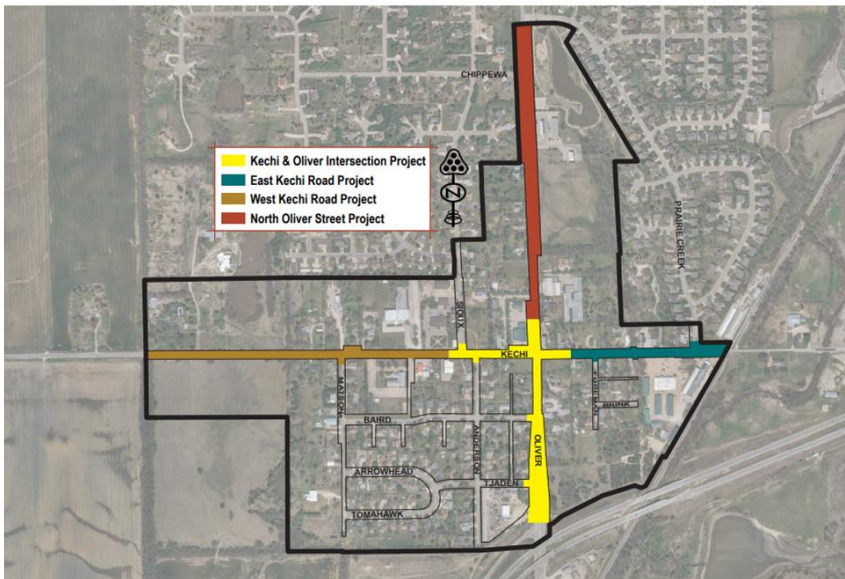
	General Fund
2020 Ending Balance	965,540
2021 Revenue	2,025,672
2021 Expenditures	1,760,731
Net Change	264,941
2021 Ending Balance	1,230,481
2022 Revenue	1,807,034
2022 Expenditures	1,288,495
Transfers	168,238
Net Change	350,301
Fund Balance Transfer	256,495
2022 Ending Balance	1,324,287

3. How are property taxes spent? And why can't anything be cut from the budget?
 - a. The pie charts below are 2022 expenditures and show personnel costs as the highest expenditure category.
 - a. Police Department 55% of total personnel costs
 - b. Administration 29% of total personnel costs
 - b. Funding priorities are set by the elected governing body each budget cycle. There are always competing priorities and the elected governing body voted to hold a sales tax referendum to provide dedicated funding to the intersection project rather than reduce general fund expenditures. Any meaningful reductions would have to come from a reduction in personnel.
 - c. The 2023 budget priorities provided funding for salaries and benefits as we compete within a limited talent pool.
 - a. Surrounding agency salaries continue to increase due to a shrinking talent pool
 - b. Health benefit costs continue to rise
 - c. Providing competitive health benefits and retirement packages are essential for maintaining and recruiting a talented workforce



Sales Tax

1. How much will be collected in a year to go towards debt service?
 - a. Approximately \$90k
2. Is there a plan for residents to be exempt?
 - a. no
3. What is this money earmarked for?
 - a. Although this is a general sales tax, revenue is earmarked for capital and street projects with the intent to fund the Kechi Arts & Business District Master Plan improvements.



4. There were multiple questions related to a sunset/end date for the sales tax.
 - a. This sales tax will not expire. The Kechi Arts & Business District Master Plan is a multi-phase plan.
 - b. A “sunset tax” expires at 10 years and typical debt service schedules are 15-20 years. The City wants to fund this project responsibly and ensure there is sufficient revenue generated to cover the entire debt service schedule for the entirety of the project.
 - c. If sales tax collections exceed the amount needed to pay off the debt service of Phase 1, additional monies collected can be used to fund future phases or pay down the existing debt faster.

5. How does the administration propose to fund the debt payments if/when the sales tax revenues fall short or high inflation costs?
 - a. The city has a healthy fund balance and fund balance can be used to cover any potential shortfalls. The 2022 and 2023 budget cycles included \$50k total in operating revenue earmarked for this project. Every budget cycle is a chance for the elected governing body to set funding priorities. Regarding inflation, there is still a cushion within project funding to account for potential increases.

6. So we will borrow money when interest rates are at their highest to do these improvements?
 - a. The city will take out temporary notes to fund the project which allows the city to pay only interest and no principal until the project is complete and the bonds are sold. Temporary notes are valid for two years. Final interest rates will be determined by the future market.

7. If the sales tax vote fails, does any plan to increase property taxes require a vote also?
 - a. Increases are part of the budget process and revenue neutral rate legislation, KSA 79-2988.
 - b. Any increase above the 'revenue neutral rate' requires a vote of the governing body.
 - i. The 'revenue neutral rate' is equal to the dollars levied the previous budget year.
 - ii. Taxing subdivisions cannot levy above the 'revenue neutral rate' without an additional rate hearing and resolution to authorize exceeding proposed rate.
 - c. Sample timeline

Budget Timeline

- June 15th: Assessed property valuations from county clerks – will include RNR
- July 20th: Last day to notify county clerk of intent to levy above RNR (provide proposed tax rate and hearing information)
- August 20th – September 20th: Hold RNR hearing *prior to or in conjunction with* budget hearing
 - Each hearing must be published and in each case must be done at least 10 days prior to the hearing date.
- August 25th: Subdivisions not exceeding RNR will submit budget to county clerk
- August 20th- October 1st: Governing body formally adopts budget
- August 30th – October 1st: Governing body certifies budget to county clerk
- By December 31st: County Clerk provides budget to Municipal Services

Elections

1. Why did the city choose the more costly special election option?
 - a. Mail ballots typically do not get higher responses and are not a commonly held type of election in the area. The last two surveys that were sent out via mail received a response rate of approximately 20 percent. In-person voting may be able to capture a more realistic representation of the city.

Businesses

1. How many businesses are in Kechi?
 - a. Approximately 50 brick and mortar business locations.
2. Kansas is a destination tax state, any online orders made by residents of Kechi and delivered to their home, would be subjected to the additional 1% sales tax, if approved. Is this correct?
 - a. Any business that is required to report sales tax to the state of Kansas.
 - b. There are approximately 200 entities that report sales taxable sales in Kechi to the State of Kansas.
 - c. Sales tax is based on where a customer takes possession of the item sold.
 - i. i.e. If an item is purchased from a Kechi business but delivered to Wichita, then the Wichita sales tax rate is applied.
3. Which of the large businesses in Kechi will have to charge a sales tax?
 - a. Any business that is required to report sales tax to the state of Kansas.
4. Will this include jobs contracted out from businesses to do work on our homes?
 - a. Any business that is required to report sales tax to the state of Kansas.
5. How do our local businesses feel about this proposed tax increase? Will it impact their business?
 - a. The city will not comment on the opinion of any resident or local business owner.

Arts & Business District Master Plan

1. In asking the residents of Kechi to approve a 1% sales tax for a revised/scaled back plan for the Oliver/Kechi Road intersection, will the City be revising the Master Plan or creating an update to the Master Plan, clarifying what exactly will be accomplished now? And, will the full scale of the original plan be realized in an additional phase, to be added later in the Master Plan project?
 - a. The revised concept was presented to the council in June 2022. Any changes or updates to future plans will be determined by the elected governing body.
2. The Master Plan has some really lovely aspects to it and the general concept definitely would be beneficial to Kechi. In reading through it again and again, the Oliver/Kechi Rd intersection is the "Gateway to Kechi," so why would the City Council consider, and approve, a revised plan that significantly reduces the original intent of the concept?

- a. In 2014, the preliminary cost estimates, excluding utility relocation, were \$1.4m. In 2020, after final design of the original concept, the previous administration presented a total projected cost estimate of \$4.7m (\$3.2m of city costs) which included burying the electrical lines and relocating a gas main to install curb and gutter. Costs to relocate those utilities totaled \$2.3m and sparked a request to provide a more cost-effective project. A revised concept plan was presented to the elected governing body in 2022 that worked within the current infrastructure keeping the electrical lines above-ground and working around the existing gas main. Total cost estimates for the revised concept are \$2.5m up to \$3.7m (\$1.2m of city costs).

3. The Arts and Business District Master Plan was created prior to the pandemic and much has changed over the past 3 years. What indicators are City staff and the City Council utilizing in making decisions that “investing” this money will result in new businesses realized, property redevelopment occurs and the Master Plan vision will come to fullness in view of today’s economic environment?
 - a. There is a desire to create a walkable community and the city is starting with this district. It is difficult to separate economic development and quality of life priorities. When a business is choosing a location, they are also looking for a certain aesthetic and vibe that compliments their business. If Kechi invests in itself, it will help support economic development.

4. A significant part of the Master Plan, is streetscape, but no monies are specifically allocated for this in the plan for this intersection work to be done. How will the City fund the streetscape?
 - a. The original grant award was a 75/25 split. The city was able to get this increased to 80/20. In combination with reduced project costs, the city is now able to consider adding streetscape to the project pending WAMPO approval.

5. Other than grant money on the table, why is now the right time to move forward with this project? Are there artisan-based business owners actively seeking business space in Kechi? Are there investors actively seeking to invest in business projects in Kechi? Are there restaurants actively desiring to establish themselves in Kechi? How many businesses have made active inquiries to the City of Kechi in the past 6 months? 12 months? The past 3 months?
 - a. There is a WAMPO funding schedule. The city accepted the grant in 2018 and has already received an extension. The city does receive inquiries and the lot on the corner of Kechi Rd. and Oliver recently sold. There is also Shops at Kechi.

Misconceptions

- The city has no plans to build a recreation center or YMCA. The city recently completed a Parks Master Plan and subsequent design. A recreation center is not included in those plans.
- “The city adopted an additional paid holiday, Juneteenth, if they didn’t vote to replace another paid holiday with that one like the county did then there must be more money to burn than we are told.”
 - The total costs to the city is \$6k
- The bulk of the money goes to art deco style lights on Oliver by Karg Art and the Playhouse

- The WAMPO grant only applies to road construction projects currently. Streetscape projects will need to be approved by WAMPO as part of the additional grant match. Final streetscape designs have not been created or approved.
- Gas utility bills are high in Kechi.
 - In Kechi, the Public Works Department operates the gas utility. In Wichita, customers contract with a private company depending on their address. I, the City Administrator, live in Wichita and contract with one such company for my gas utility. Based on the same usage, on average my gas utility bill is 15% higher than in Kechi.

NEW Questions submitted during the workshop.

1. Will the 1% sales tax affect our utility bills?
 - a. Currently, sales tax applies to commercial water and gas accounts.
 - b. Currently, sales tax applies to residential gas accounts....but not residential water accounts.
 - c. If implemented, this sales tax will apply to commercial water and gas accounts and residential gas accounts.
 - d. In the past 11 months, approximately \$4,900 has been paid in residential gas tax. This is equivalent to \$0.65 per month per residential meter. This is remitted to the State and does NOT stay in Kechi.
 - e. In the past 11 months, approximately \$13,000 has been paid in commercial water and gas tax. This is remitted to the State and does NOT stay in Kechi.
2. Origin of the community survey – there was community involvement in developing the Kechi Arts & Business District Master Plan.
3. If the sales tax is voted down, what was the state of mind on increasing the mill levy?
 - a. Based on current State Statute, only city elected officials vote on an increase to the mill levy.
 - b. Councilmembers were generally opposed to a mill levy increase.
4. What percent of the tax would come from Jump Start?
 - a. The 1% sales tax will not apply to motor vehicle gas.