

Adjustments to City Manager's Budget

The budget recommended by the City Manager required a 2.9 mill property tax increase from 2006. When the City Council approved the proposed budget for publication at the end of July, it established that 2007 budget would be funded with the same number of mills as the current budget. In order to accomplish this, the City Council made a variety of spending and revenue adjustments totaling \$2.9 million. The table below reflects the adjustments by the affected funds. The General, Parks and Recreation and Zoo Funds finance the operations of several City departments. The General Improvement Fund finances various projects and payments.

	Expenditure Adjustment	Revenue Adjustment	Net Change Property Tax Revenue
General Fund	\$ (1,053,382)	\$ 687,922	\$ (1,741,304)
Parks and Recreation Fund	(195,589)	577,498	(773,087)
Zoo Fund	(31,019)	175,968	(206,987)
General Improvement Fund	<u>(186,173)</u>	<u>-</u>	<u>(186,173)</u>
Total	\$ (1,466,163)	\$ 1,441,388	\$ (2,907,551)

Major adjustments that impacted all of the three operating funds included:

- Reducing the 2.5 percent COLA to 2.0 percent decreased expenditures by about \$270,000.
- Increasing the level of budgeted salary savings from vacancies by a total of \$1,148,682.
- A transfer of \$500,000 that was recommended to go from the Workers Compensation Fund to the Risk Manage Reserve Fund was redirected to the General Fund (\$435,502); Parks and Recreation Fund (\$50,466); and the Zoo Fund (\$14,032).
- Elimination of positions, both new and existing. The City Council did authorize a new Protective Services Officer for the Municipal Court and an ADA Compliance Officer for the Human Relations Commission.

Total budget reductions to the General Fund amounted to about \$1.7 million. Additional transfers of \$578,968 were made from the General Fund to the other two funds from cuts to General Fund programs. Transfers are expenditures and the reduction figure in the table above is the net of the transfers and cuts. A significant reduction of \$400,000 was able to be made because of a policy and ordinance change related to the prosecution of suspended driver's license in Municipal Court. The 2006 Legislature changed Kansas law to require a 90 day mandatory jail sentence for a third conviction of this offense. It was estimated that the impact of this change to the City of Topeka would be in the range of \$2.0 million to \$2.5 million to pay for jail time and other associated costs. The City Council decided that the City would no longer prosecute this crime under City Ordinances. This action allowed the reduction of jail costs currently being paid for the suspended driver's license offenders.

The adjustment to the General Improvement Fund was a net of \$200,000 reduced that was to be used for police cars and an increase of \$13,827 transferred to the General Fund. A current year reduction in the General Fund supplied monies for the police cars as a one-time expenditure.

The City Council did pass a budget without a mill levy increase based upon the property valuation estimate made by Shawnee County this past summer. However, the final property valuation came in slightly lower resulting in a 0.094 mill increase from the prior year. The budget for each department is provided in more detail in the various departmental sections.