

Council Minutes – March 6, 2012

COUNCIL CHAMBER, Topeka, Kansas, Tuesday, March 6, 2012. The Councilmembers of the City of Topeka met in regular session at 6:00 P.M., with the following Councilmembers present: Councilmembers Hiller, Alcalá, Ortiz, Everhart, Wolgast, Manspeaker, Archer, Gray and Harmon -9. Mayor William W. Bunten presided -1.

AFTER THE MEETING was called to order, Councilmember Gray asked for a moment of silent meditation.

THE PLEDGE OF ALLEGIANCE was recited by those present in the chamber.

A PRESENTATION on the City of Topeka 2011 financial data was presented by Pam Simecka, Acting Budget and Finance Director. She discussed City wide revenue trends and expenditures; assessed valuations; mill levy comparison and breakdown; general fund revenue and expenditures and general fund balance trends. She stated the report was based on the GAAP accounting concept which calculates the fund balance by comparing expenditures to the adopted budget. She reported in 2011 the only authorized change to the budget was the transfer of \$1 million to the health insurance fund; budget authority was transferred from the non-departmental division to transfers out; 2010 rollover encumbrances were subtracted from the actual 2011 expenditures and then the 2011 encumbrances were added; the ending fund balance was not as bad as anticipated with a reduced fund balance of \$1.8 million. She highlighted the revenues they need to watch for 2013; the departments that were under or over budget in 2011; 2011 refunding bond savings and debt issued; general obligation debt; combined utilities debt; general obligation estimated debt service and general obligation estimated mill levy; health insurance revenues and expenses; and franchise fee comparisons. She stated upcoming budget process changes include using the Balance Scorecard budget method for 2013, outlining all direct costs

(utility costs, air card costs, equipment leases, etc.) for each department; move Facilities expenses out of the general fund and make it an internal fund for each department; time and attendance software will be implemented in 2012; and AMI Risk is in the process of conducting an actuarial study on the City's risk funds.

Councilmember Alcala commented on the number of departments that were over budget and if there was an internal mechanism in place to address the issue. He asked if the term of the bonds being refinanced would be extended.

Pam Simecka stated the life of the bonds would remain the same; and the Lawson Software System does not allow any department to spend more money than is available in a fund, and an employee must receive approval from the Finance Director or the City Manager regarding justification of any expense over budget.

Councilmember Wolgast stated he would email his questions relating to the presentation to staff for response. He asked how the Police and Fire Departments exceeded their budgets.

Pam Simecka stated the Police and Fire Departments exceeded their budget because KP&F rates were figured at the wrong rate, an error made by the Finance Department.

Daniel R. Stanley, Interim City Manager reported the Kansas Legislature set KP&F and KPERS rates late in the year. He noted the City's lobbyist has been directed to alert the City of any potential changes in program rates.

Councilmember Archer commended staff on the financial data and presentation. He expressed concern with the revenue trends from 2003 to 2011 and noted he believes the City's financial state is due to a spending problem.

THE CONSENT AGENDA was presented as follows:

BOARD APPOINTMENT recommending the appointment of Grant Sourk to the Topeka Landmarks Commission for a term ending February 28, 2014 was presented.

MINUTES of the regular meeting of February 28, 2012 were presented.

2012 Open After Midnight License renewal applications were presented for the following:

<u>BUSINESS NAME</u>	<u>ADDRESS</u>
20's West, L.L.C.	901 SW Fairlawn Road, Suite 101
Billar El 2 De Oros	2018 SE Swygart
Cousin's	1211 S Kansas Avenue
Fraternal Order Of Eagles #4319	2941 SE Fremont
Kelly Express	1001 SW Wanamaker Road
Kwik Shop #705	1114 NW Topeka Boulevard
Kwik Shop #713	5700 SW 21 st Street
Kwik Shop #720	102 SW 37 th Street
Kwik Shop #729	1700 SW Topeka Boulevard
Kwik Shop #740	2277 SW 10 th Street
Kwik Shop #757	2619 SW 21 st Street
Kwik Shop #780	2520 SW 6 th Avenue
Kwik Shop #781	4500 SW Topeka Boulevard
Kwik Shop #788	1414 SW 17 th Street
Kwik Shop #789	746 NE Wabash
Serendipity of Topeka, L.L.C.	820 N Kansas Avenue
Specks Bar & Grill	2105 SW Mission
The Spot Tavern, L.L.C.	2202 SW Buchanan
Terry's Billiard Club	3919 SW 21 st Street
Topeka Moose Lodge	1901 N Kansas Avenue
United Outlets, L.L.C.	2315 NW Topeka Boulevard

Councilmember Wolgast moved to approve the consent agenda. The motion seconded by Councilmember Manspeaker carried unanimously. (9-0-0)

APPROVAL of a three year Labor Agreement between the City of Topeka and AFT Kansas, Local No. 6406 (formerly KAPE) was presented. The agreement was deferred from the meeting of February 21, 2012.

Daniel R. Stanley, Interim City Manager gave the staff report.

Dean Diediker, Union representative encouraged the Council to support the agreement. He stated the agreement represents hard working employees from many different departments that help operate the City of Topeka.

Councilmember Everhart moved to approve the agreement. The motion was seconded by Councilmember Manspeaker.

Councilmember Hiller stated she wants to support the agreement; however, she is concerned with how the requested wage increase would be funded.

Daniel R. Stanley reported there was no money set aside in the budget to fund wage increases and if the agreement is approved, it would have to be funded through three different funding sources.

Jacque Russell, Human Resources Director reported the wage increase would be funded through the general fund in the amount of \$137,363 and the remaining \$67,930 would be funded through the Utility fund and Motor Fuel fund.

Pam Simecka, Acting Budget and Finance Director reported the Council eliminated all wage increases in the last budget cycle with the exception of the Fire Department; therefore, cuts would have to be made to other areas of operations to compensate for the wage increase outlined in the agreement.

Daniel R. Stanley stated if the agreement is approved it would impact operational services.

Councilmember Alcalá stated the Council made it clear there were no funds available for wage increases; therefore, he does not understand why wage increases were used as a bargaining tool.

Daniel R. Stanley stated he eliminated the funds set aside for wage increases in an effort to achieve a zero mill levy increase as directed by the Council. He reported the negotiation process must change if they want it to be effective and suggested they consider hiring a third-party mediator.

Councilmember Wolgast stated he concurs with the City Manager; however, in his experience if the funding changes midstream then the negotiating team needs to make adjustments to accommodate those changes. He stated he believes they should approve the agreement and next time, identify the specifics before the process begins. He noted State law defines how negotiations should proceed and in his opinion, the City is not bargaining in good faith.

Councilmember Hiller reported the Council denied the same agreement in July 2011 because they did not want a mill levy increase and the Council was very clear on the direction they wanted staff to take in regards to labor agreement negotiations.

Councilmember Archer questioned the term “good faith bargaining” and stated it applies to Union employees, as well as, management. He noted Federal, State and County employees did not receive wage increases in 2011.

Councilmember Manspeaker asked if the City would realize a cost savings if the agreement was approved.

Catherine Walter, Assistant City Attorney reported the wage increase presented is less than the original proposal in July 2011; approval of the agreement would settle a Public Employee Relations Board (PERB) complaint; eliminate a grievance filed over shift differential pay; and avoid possible costs associated with fact finding or impasse.

Councilmember Manspeaker stated he does not believe the City should model their wage compensation plan after Federal and State governments due to their poor financial state. He expressed the importance of treating employees with respect and stated if the City continues offering low pay grades and poor health benefits the quality of employees will decline.

Councilmember Everhart stated she understands these are tough economical times for the City; however, by not approving the agreement they are forcing employees to take a cut in pay due to the large increase in health benefit premiums.

Councilmember Wolgast discussed wage increases provided to Union members in other cities and expressed the importance of the City of Topeka being aware of the “big picture” and how other cities compensate their employees.

Councilmember Alcalá stated in the past three years the City of Topeka has provided raises to Union employees comparable to other cities.

Daniel R. Stanley encouraged the Council to move away from multi-year labor agreements because it is difficult to budget funds based on revenue estimates. He suggested the Council establish negotiating parameters and noted there would be six labor agreements due for negotiation in 2013.

The motion to approve the labor agreement failed. Councilmembers Hiller, Alcalá, Ortiz, Archer and Gray voted “no.” Mayor Bunten voted “yes.” (5-5-0)

ORDINANCE NO. 19709 introduced by Councilmember Karen Hiller authorizing the sale, consumption and possession of alcoholic liquor at a specified location and time for The Office and The Celtic Fox on March 17, 2012 pursuant to K.S.A. 41-719(a)(2) and K.S.A. 41-2645(e)(1) placed on first reading February 28, 2012 was again presented.

Daniel R. Stanley, Interim City Manager gave the staff report.

Councilmember Hiller moved to adopt the ordinance. The motion seconded by Councilmember Wolgast carried unanimously. Mayor Bunten voted “yes.” (10-0-0)

The ordinance was adopted on roll call voted as follows: Ayes: Hiller, Alcalá, Ortiz, Everhart, Wolgast, Manspeaker, Archer, Gray, Harmon and Mayor Bunten -10.

RESOLUTION NO. 8404 introduced by Interim City Manager Daniel R. Stanley, authorizing and adopting for the City of Topeka, Kansas, the 2012-2016 Capital Improvement Program and the 2012-2013 Capital Improvement Budget was presented.

Daniel R. Stanley, Interim City Manager gave the staff report. He suggested the Council consider the Capitol District Project and the US Hwy 24 and Topeka Boulevard improvement separately or they could defer action of the resolution for one week if necessary.

Michael Kitowski, Angel Romero, Ryan Masilionis, Kady Boyd, Mark Ruelle, Judy Pfeifer and Mike Morse spoke in support of the Capitol District Project and asked the Council to approve the proposed project and allow Topeka to be a vibrant city where citizens want to live and work.

Dave Jackson, Teresa Miller and Johnnie Jackson spoke in opposition to installing traffic light signalization at US Hwy 24 and Topeka Boulevard and asked the Council to listen to citizens and save the taxpayers money by only making the necessary repairs needed to the cloverleaf.

Eleanor Cowell and Rosalee Ridgeway spoke in support of the Seward Avenue Streetscape Corridor proposal and asked the Council to approve the project and allow the enhancement of a major corridor in the Oakland community.

Councilmember Gray questioned how new commercial business would be attracted to the downtown area and if additional funds would be needed before the project is complete.

Councilmember Ortiz questioned how they could justify approving \$5 million for downtown improvements when there are many areas in Council District No. 3 that are in need of curb, gutter and sidewalk repairs. She asked downtown advocates to encourage citizens of Council District No. 3 to become involved in the downtown revitalization process and work to gain their support.

Councilmember Alcalá thanked Mike Morse for his support of downtown improvements and keeping the Governing Body involved.

Councilmember Gray moved to remove the US Hwy 24 and Topeka Boulevard improvement allocation in the amount of \$1.590 million from the 2012-2016 Capital Improvement Program. The motion died due to a lack of a second.

Councilmember Alcalá commented on the protest petitions filed against KDOT's proposal for the installation of signalization at the US Hwy 24 and Topeka Boulevard intersection. He reported he spoke with several area citizens, including county residents and he believes the majority of them think the City's portion of matching funds is unacceptable and support the repair of the cloverleaf.

Councilmember Alcalá moved to remove the US Hwy 24 and Topeka Boulevard improvement project allocation in the amount of \$1.590 million from the 2012-2016 Capital Improvement Program Plan. The motion was seconded by Councilmember Gray.

Councilmember Hiller commended Councilmember Alcalá for his efforts in researching the petitions and speaking with citizens. She stated she understands the City's financial state; however, the intersection and bridge will have to be addressed at a later date and will cost more money to repair in the future.

Councilmember Wolgast commended Councilmember Alcalá on his efforts in communicating with area citizens and keeping the Council informed. He reported there was strong support for both options presented by KDOT; therefore, they should consider a long-term plan instead of delaying the inevitable which is to replace the bridge and install signalization due to the increased traffic counts anticipated over the next 30 years.

The motion to remove the US Hwy 24 and Topeka Boulevard improvement project allocation in the amount of \$1.590 million from the 2012-2016 Capital Improvement Program Plan carried. Councilmember Harmon voted “no.” (8-1-0)

Councilmember Alcalá stated in his opinion Capitol District Project supporters need to encourage a private-public partnership for the revitalization of downtown to be successful. He noted the City has already allocated \$1 million for the project in 2011 and before the Council approves and additional \$2 million in 2012 they should include a provision that would require the private sector to contribute \$0.25 for every dollar raised, and the City would contribute \$0.75 for every dollar raised.

Councilmember Alcalá moved to approve the Capital District Project allocation in the amount of \$2 million in 2012 with the provision the private sector would contribute \$0.25 for every dollar raised, and the City would contribute \$0.75 for every dollar raised. The motion died due to a lack of a second.

Councilmember Archer asked if Water Utility Disinfection Modification (Ozone) Project needs to be added to the Capital Improvement Program.

Braxton Copley, Office of Utilities and Transportation Director stated it would be in the City’s best interest to include the project in the Capital Improvement Program for FY2012.

Councilmember Archer moved to add the Water Utility Disinfection Modification (Ozone) Project to the Capital Improvement Program for FY 2012 in the amount of \$14 million. The motion seconded by Councilmember Alcalá carried unanimously. (9-0-0)

Councilmember Alcalá moved to approve the 2012-2016 Capital Improvement Program and the 2012-2013 Capital Improvement Budget as amended. The motion was seconded by Councilmember Archer.

Councilmember Wolgast asked if they need to address the facility repair projects that have been removed from the Capital Improvement Program.

Mike Teply, Public Works Department, stated staff would evaluate what needs to be addressed and report back to the Council.

Councilmember Hiller stated in order to keep expenses under \$7.5 million the expense for Fire Station No. 13 needs to be moved from 2012 to 2014.

Councilmember Hiller moved to delete Fire Station No. 13 expense (\$2,484,600) from 2012 and add that same amount to 2014. The motion died due to a lack of a second.

Councilmember Hiller moved to approve the allocation of \$50,000 in 2013 and \$100,000 in 2014 and years beyond for the Seward Avenue Streetscape Corridor Proposal. The motion seconded by Councilmember Wolgast failed. Councilmembers Alcalá, Ortiz, Everhart, Wolgast, Manspecker, Archer, Gray and Harmon voted “no.” (1-8-0)

Councilmember Wolgast asked how the replacement of Police Department vehicles would be funded.

Daniel R. Stanley stated discretionary funding for undefined fleet service vehicles has been set aside for this purpose, as well as, the Police Department will begin recapitalizing their

Police vehicle fleet by removing the vacancy credits from their budget, providing more latitude for the Chief to manage the budget.

Councilmember Harmon stated he wants to continue to allocate funds in the Capital Improvement Plan for downtown improvements; however, he is disappointed with the plan presented by the design consultants. He stated he would support revitalizing downtown; however, in his opinion there will have to be major changes made to the present plan.

Councilmember Wolgast stated he believes a number of Councilmembers have concerns with the plan; however, he wants to continue moving forward with the plan and allow citizen input and recommendations.

The motion to approve the 2012-2016 Capital Improvement Program and the 2012-2013 Capital Improvement Budget as amended carried. Councilmember Gray voted “no.” (8-1-0)

NO Retail Cereal Malt Beverage License Applications were presented.

PRESENTATIONS BY THE CITY MANAGER, MAYOR AND MEMBERS OF THE COUNCIL;

Daniel R. Stanley, Interim City Manager announced representatives of Willis Business Associates, the City's benefits consultant company, would discuss the details of the employee health insurance plan at the March 13, 2012 Work Session.

Councilmember Alcalá commended the Council for working together in adopting a Capital Improvement Program and Budget.

Councilmembers Ortiz and Alcalá offered their condolences to the families of Bill McCarter and Pastor W.L. Templeton.

Councilmember Wolgast invited the public to attend the "Just What the Doctor Ordered" concert fundraiser, March 11, 2012, at 4:00 p.m. at the First United Methodist Church benefiting the Marian Clinic and the HealthAccess Program.

Councilmember Archer commended Deputy Mayor Alcala for his leadership in Council District No. 2 regarding the US Highway 24 and Topeka Boulevard improvement issue. He commented on the reduction in property tax values and noted it is an issue the Council must take into consideration during budget deliberations.

Councilmember Gray commended Councilmember Alcala on his guidance during the Capital Improvement Program process. He stated he would not attend the City Manager Search Community Meeting March 8, 2012.

Councilmember Harmon offered his condolences to the families of Bill McCarter, Pastor W.L. Templeton and Earl Honig.

Mayor Bunten asked when they would discuss the funding of infrastructure repairs. He noted City Manager Stanley's employment agreement expires on April 1, 2012 and he hopes Mr. Stanley plans to assist the Council with the new Balanced Scorecard budget process.

Daniel R. Stanley stated the infrastructure repair issues would be discussed at the April 3, 2012 Work Session and staff would present a more modest proposal at that time.

Councilmember Hiller encouraged citizens to attend the Shawnee County Parks and Recreation Listening Tour meetings. She also encouraged citizens to attend the City Manager Search Community Meeting, March 8, 2012, from 6:30 p.m. to 7:30 p.m. in the Council Chambers.

NO FURTHER BUSINESS appearing the meeting was adjourned at 8:58 p.m.

Brenda Younger
City Clerk