

Special Meeting 2018 Budget – June 14, 2017

Law Enforcement Center, 320 S. Kansas Avenue, Topeka, Kansas, Wednesday, June 14, 2017. The Governing Body members of the City of Topeka met in special session at 6:00 P.M., with the following Councilmembers present: Hiller, Clear, Ortiz, Emerson, De La Isla, Jensen and Harmon -7. Mayor Larry E. Wolgast presided -1. Absent: Councilmembers Schwartz and Coen -2.

Doug Gerber, Interim City Manager, provided opening comments.

Councilmember Emerson moved to approve the minutes of the June 7, 2017 Special Meeting. The motion seconded by Councilmember Clear carried unanimously. (8-0-0)

Nick Hawkins, Budget and Performance Manager, provided a brief overview of Supplement No. 2: 2018 Budget Council Question and Answer document from the June 6, 2017, Council Meeting; and Supplement No. 3: 2018 Budget Council Question and Answer document from the June 7, 2017, Special Meeting.

Jason Peek, Public Works Director, provided an overview of the Motor Fuel Fund. He reported approximately 47% is allocated for street maintenance activities; 16% for street sweeping; 13% for alley maintenance; 10% (average year) to 20% (severe weather events) for winter snow removal and/or de-icer operations; and the balance of the fund provides for other miscellaneous street services as well as \$750,000 to be allocated for pavement rehabilitation.

Mayor Wolgast questioned the stability of the fund as it relates to recommendations made by staff.

Councilmember Jensen questioned if there was a long-term plan to replace City gas powered vehicles with electric vehicles.

Councilmember Ortiz questioned if the City stores unused snow removal material and if the money saved each year could be used for other operational needs.

Doug Gerber stated the Motor Fuel Fund is reasonably stable; however, from a political perspective there is less certainty as there is a possibility of the funds disappearing each year and becoming part of the State's budget solution. He reported the fund remains healthy for 2018 as a direct result of good financial planning by staff and mild winters.

Jason Peek reported certain materials for winter weather events can be stored; however, the snow removal fund is mainly comprised of labor expenses and de-icing solution. He stated the City spent \$300,000 on de-icing materials in 2016 and budgets \$600,000 to \$800,000 annually to resupply the materials.

Jacque Russell, Human Resources Director, provided an overview of the Health Fund. She highlighted 2018 proposed increases including a 15% overall increase for insurance premiums due to increased claims; 6% for increased medical costs; 15% for prescription drug costs; 10% for union agreement health plan enhancements (mainly to reduce employee deductibles); 3% increase for medical tiers; and the Health Stat service contract would increase 4% for the City's Health & Wellness Center.

Councilmember Hiller asked how many employees use the Fitness Center. She also asked if other employees use other means to achieve the wellness incentives such as alternate fitness centers, and if so, is there an allowance in the budget for these items.

Councilmember Ortiz stated she believes the Fitness Center would have more employee participation if workout equipment was updated.

Jacque Russell reported there have been many equipment upgrades made over the past three years with limited funding.

Nick Hawkins provided an overview of the Alcohol and Drug Safety Fund; Special Alcohol Fund; Law Enforcement Fund; Retirement Reserve Fund; Neighborhood Revitalization Fund; Tax Increment Financing (TIF) and Community Improvement District (CID) Funds; General Funds including Cemeteries, the Topeka Performing Arts Center (TPAC) and Parks and Recreation; Workers Compensation Fund; Risk Reserve Fund and Unemployment Compensation Fund.

Councilmember Hiller noted the City contributes over \$1 million annually in social service opportunities and various other incentive programs.

Councilmember Clear asked how much funding Safe Streets receives.

Gretchen O'Donovan, Topeka Police Department Account, reported \$6,000 is allocated to Safe Streets to be distributed to National Night Out Against Crime Neighborhood Events, with each neighborhood receiving approximately \$100 each.

Councilmember Hiller asked how long the City will make bond payments for the Retirement Reserve Fund.

Nickie Lee stated staff would report back to the Governing Body on the status of the Retirement Reserve Fund bonds.

Councilmember Emerson asked if the Neighborhood Revitalization funds have been expended.

Bill Fiander, Planning Director, stated the funds have not been expended to date because there has not been a plan in place regarding how the City wants to use the funding as it relates to infill housing as required by ordinance. He reported they are currently working with Habitat for Humanity in creating a solid plan for the future.

Councilmember Hiller questioned where in the budget infill housing funds are allocated when the City sells a home identified in the infill housing program.

Councilmember Clear questioned the Downtown Topeka grant program and if it is actually used for permanent improvements as defined in the program requirements.

Doug Gerber stated program grants are allocated through the City and administered by Downtown Topeka Inc. (DTI).

Vince Frye, DTI Executive Director, confirmed grants funds are used for permanent improvements only to the downtown area and buildings.

Councilmember Hiller suggested staff review the language and incorporate any revisions to accommodate current downtown development needs as they have changed since the program began.

Councilmember Ortiz suggested the City Grant Writer work with the Topeka Cemetery Director to address their many needs including upgrades to the streets surrounding the cemetery.

Councilmember Clear asked for a financial breakdown of each student participating in the Youth Employment Program; if the City tracks the outcome of the program; and if the City partners with local agencies to provide training.

Jacque Russell reported the program is used as a tool to educate the youth for potential career choices in public service. She stated they anticipate the City will partner with local agencies in the future; and each student costs approximately \$4,500 with the majority of the funds being used for payroll and other expenses such as uniforms and training tools.

Mayor Wolgast announced the June 19, 2017 Planning Commission meeting has been cancelled. He asked Governing Body members if they would like to change location of the June

19, 2017 Special Meeting. Following consensus by the Governing Body, Mayor Wolgast announced the meeting location would be changed to the City Council Chambers.

Councilmember Harmon left the meeting.

Mayor Wolgast announced 2018 City of Topeka Operating Budget amendments would be considered at the June 20, 2017, Governing Body meeting because there are only seven Governing Body members present at this time.

Doug Gerber stated staff would present the final budget on July 11, 2017 for consideration by the Governing Body.

Nick Hawkins provided an overview of the budget calendar through final adoption of the budget on August 15, 2017.

Governing Body members requested revenue estimates be sent to them as soon as possible when received by staff.

NO FURTHER BUSINESS appearing the meeting was adjourned at 7:56 p.m.

Brenda Younger
City Clerk