

Governing Body Minutes – June 21, 2022

CITY COUNCIL CHAMBERS, Topeka, Kansas, Tuesday, June 21, 2022. The Governing Body members of the City of Topeka met in regular session at 6:00 P.M. with the following Councilmembers present: Councilmembers Hiller, Emerson, Kell, Dobler and Duncan -5; and Councilmembers Ortiz, Naeger and Lesser participated remotely -3. Mayor Padilla presided -1. Absent: Councilmember Valdivia-Alcala -1.

Public comment for the meeting was available via Zoom or in-person. Individuals were required to contact the City Clerk's Office at 785-368-3940 or via email at cclerk@topeka.org by no later than 5:00 p.m. on June 21, 2022, after which the City Clerk's Office provided the Zoom link information and protocols prior to the meeting start time. Written public comment was also considered to the extent it was personally submitted at the meeting or to the City Clerk's Office located at 215 SE 7th Street, Room 166, Topeka, Kansas, 66603 or via email at cclerk@topeka.org on or before June 21, 2022, for attachment to the meeting minutes.

AFTER THE MEETING was called to order, Councilmember Kell, provided the invocation.

THE PLEDGE OF ALLEGIANCE was recited by meeting participants.

BOARD APPOINTMENT recommending the reappointment of Nicholas Xidis to the Downtown Business Improvement District Advisory Board to fill a term ending June 30, 2024, was presented. (*Council District No. 1*)

BOARD APPOINTMENT recommending the appointment of Luc Bensimon to the Topeka Human Relations Commission to fill a term ending June 30, 2024, was presented. (*Council District No. 2*)

BOARD APPOINTMENT recommending the reappointment of Rodney Miller to the Topeka Metropolitan Transit Authority for a term ending July 1, 2026, was presented. (3-Mile Extra Territorial Jurisdiction (ETJ))

BOARD APPOINTMENT recommending the reappointment of Stephen Smith to the Downtown Business Improvement District Advisory Board to fill a term ending June 30, 2024, was presented. (Council District No. 1)

Councilmember Hiller moved to approve the board appointments. The motion seconded by Councilmember Emerson carried unanimously on roll call vote. Mayor does not vote. (8-0-0)

PRESENTATION on the Public Works Department Quarterly Report was presented by Braxton Copley, Interim Public Works Director.

Councilmember Hiller asked if Staff has made the determination if the micro surfacing of streets has been effective and withstands the winter weather.

Councilmember Naeger requested an update on the 12th Street Project from SW Topeka Boulevard to SW Washburn Avenue.

Interim Public Works Director Copley stated he would gather the requested information from Staff and distribute it to the Governing Body.

Mayor Padilla thanked Interim Public Works Director Copley for the updated information on the 50-50 Sidewalk Repair Program.

PRESENTATION on the Utilities Department Quarterly Report was presented by Braxton Copley, Utilities Director.

Councilmember Naeger thanked Director Copley for the presentation.

Councilmember Hiller complimented Staff on the progression of water and stormwater project improvements. She asked about the SW Jewell Avenue Project that included waterline,

storm water and sewer line improvements from SW 2nd to SW 3rd Streets as it relates to increasing the size of the water line to six inches. She referenced the high number of water main breaks near the area where repairs have been made and questioned if the change in water line size caused the increase in water main breaks.

Utilities Director Copley reported the larger size 6-inch water pipe will reduce the water pressure in the water line reducing the odds of a water main break, as well as support the operation of fire hydrants as required by the Kansas Department of Health and Environment (KDHE) water line standard.

PRESENTATION on the City of Topeka 2023 Budget was presented by Stephen Wade, Director of Administrative and Financial Services. He highlighted the following mill levy options to be considered and included in the City of Topeka 2023 Proposed Operating Budget to be distributed to the Governing Body by the end of June:

- Option 1: The mill levy remains flat. No additional funds would be placed in reserves after 2023. Staff anticipates an approximate 27.7% reserve balance with a \$7 million reserve fund gap that could be used for one-time expenses.
- Option 2: The mill levy is lowered to adjust for expenses in 2023. This would force an increase in the mill levy for years 2024, 2025 and 2026.
- Option 3: The mill levy is decreased by 1 mill. There would be a surplus in 2023; however, a decrease would cause a deficit in years 2024, 2025 and 2026.

Mayor Padilla requested Governing Body members provide guidance to Staff on the proposed mill levy options.

Councilmember Duncan asked what the estimate of surplus funds will be for 2022.

Finance Director Wade stated Staff anticipates a surplus in 2022 of about \$2 million through reduced expenses.

Councilmember Duncan spoke in support of moving forward with a budget that incorporates a 1 mill decrease. He referenced outlay deficits, and stated he believes estimated

surplus balances totaling approximately \$4 million over the next two years could be used as carryover funds for future year budgets. He noted there are factors that are currently increasing expenses for everyone that are out of their control; however, the Governing Body has the opportunity to be flexible with reserve funds or surplus funds for those expenses they can control.

Councilmember Dobler spoke in support of a 1 mill decrease. He stated he agrees with Councilmember Duncan and noted, the 1 mill decrease is not reducing the City's overall budget, but instead, helping to "offset and/or decrease" the increase in property valuations and other taxpayer expenses that are out of their control. He stated there is no way to predict what the economy will be in four years; however, they will have the opportunity to review the City's budget annually to see how closely it matches this year's pro forma and make adjustments as necessary.

Councilmember Hiller thanked Staff for their work on the budget. She spoke in support of keeping the mill levy rate flat for 2023. She referenced the difficult process that is involved with adjusting the mill levy rate and the stress it may cause taxpayers. She highlighted examples of how much a 1 mill decrease would save property owners annually based on their property values, ranging from \$4 a year for property assessed at \$30,000 and \$55 a year for property assessed at \$500,000. She stated if they spent some of the reserve fund balance to pay cash for projects instead of bonding the projects, the savings would be comparable to a 1 mill decrease (\$9 per year for a property assessed at \$100,000 and \$45 per year for property assessed at \$500,000). She reminded everyone that the elimination of sales tax on food would go into effect in January 2023, and would have a bigger effect on low-income residents than a decrease in the mill levy which would also cause the City to lose approximately \$1.4 million in revenue.

Councilmember Kell inquired if decreasing the mill levy by 1 would require a mill levy increase in out years.

Finance Director Wade stated he does not anticipate a mill levy increase in 2024; however, they may have to consider an increase in 2025 and 2026.

Councilmember Naeger stated she concurs with Councilmember Hiller. She noted it would not be her personal preference to change the mill levy from year to year; however, she does see value in it if there were cost savings for taxpayers. She stated she would support the will of the Governing Body as a majority.

Councilmember Hiller reported City Attorney Stanley verified the food tax would decrease 2.5% in January 2023, providing a substantial savings for residents compared to the proposed mill levy decrease. She asked for clarification if the \$1.4 million revenue shortfall could be deducted from the reserve fund balance.

Finance Director Wade stated General Fund reserves could not be used for the purposes of regular operational expenses, and could only be used for one-time expenses. He noted Staff anticipates the \$1.4 million revenue shortfall would be manageable within the proposed 2023 budget.

Councilmember Duncan stated he believes it is not just about lowering the tax burden but a need to look at all aspects as a cohesive financial policy by offering relief where they can while sending a message to citizens, future home buyers and developers, that Topeka is a community that is willing to be reactive and flexible. He stated budget surpluses can be carried forward to pay down one-time expenses as they meet the obligations and expectations set forth in the City's bond ratings while also making sure they use the funds to pay down debt. He spoke to funding projections over the next couple of years which seem to be manageable as well as all the other steps the City is taking to hopefully bring growth and development to Topeka over the next 2-4 years so the tax base grows and expenses decrease.

Councilmember Emerson stated he concurs with Councilmember Dobler and Councilmember Duncan. He spoke in support of a 1 mill decrease and noted, there is at least one large economic development project where the 10-year tax exemption will sunset, generating approximately \$2.5 million in additional revenue for the City in 2023. He reported he would have to confirm with the Greater Topeka Partnership; however, he believes there are several tax-exempt properties that will soon sunset, providing additional financial relief for the City.

Mayor Padilla stated he agrees with Councilmember Hiller and believes they should take a conservative deliberate approach to the budget to avoid misleading citizens.

Upon hearing no objections, Mayor Padilla announced it was the consensus of the Governing Body to incorporate a 1 mill decrease into the City of Topeka 2023 Proposed Operating Budget.

CONSENT AGENDA was presented as follows:

APPROVAL of a Worker's Compensation claim settlement in the amount of \$45,000 to resolve the claim on a full and final basis for a work-related injury sustained by an employee while engaged in normal work duties, was presented.

APPROVAL of CONTRACT NO. 50447 a Utilities contract for professional engineering services between the City of Topeka and Alfred Benesch and Company to perform services which include the study and design of improvements in various locations along Ward-Martin Creek between SW Oakley Ave and The Drive, was presented.

MINUTES of the regular meeting of June 14, 2022, were presented.

APPROVAL of the following Cereal Malt Beverage license applications were presented:

<u>Business Name</u>	<u>Address</u>
CVS Pharmacy #8605	2835 SW Wanamaker Rd
CVS Pharmacy #10244	3901 SW 21 st St
El Changarro Mexican Restaurant	2601 SW 6 th Ave (NEW)

Business Name (continued)

Larry's Shortstop

Address

3834 SW Topeka Blvd

Councilmember Dobler moved to approve the consent agenda. The motion seconded by Councilmember Kell carried unanimously on roll call vote. (9-0-0)

ORDINANCE NO. 20361 introduced by Interim City Manager William E. Cochran amending the "District Map" referred to and made a part of the Zoning Ordinances by Section 18.50.050 of the Topeka Municipal Code, by providing for certain changes in zoning on properties located within Downtown Topeka from "M-2" Multiple Family Dwelling District, "C-4" Commercial District, and "O&I-2" Office and Institutional District, "D-1" Downtown District, "I-1" Light Industrial District, "I-2" Heavy Industrial District TO "D-3" Downtown District, was presented. (Z22/02) (Council District No. 1)

Bill Cochran, Interim City Manager, provided an overview of the voting options for the Governing Body and reported Staff recommends approval as presented.

Mayor Padilla stated prior to proceeding with the vote, each member of the Governing Body who has engaged in ex parte communication with any individual either in favor of, or against, the matter being considered, must state that the communication occurred and indicate that even in light of having engaged in the communication they were able to fairly, objectively, and impartially consider the measure based only upon the evidence provided on the record. The record includes the Planning Commission minutes, the Staff report and its attachments, the public comments made during the Planning Commission hearing and similar relevant information related to the matter.

Ex parte communication was declared by each member of the Governing Body.

Councilmember Kell moved to adopt the ordinance. The motion seconded by Councilmember Naeger carried unanimously. (9-0-0)

The ordinance was adopted on roll call vote as follows: Ayes: Hiller, Ortiz, Emerson, Kell, Naeger, Dobler, Duncan, Lesser and Mayor Padilla -9.

RESOLUTION NO. 9332 introduced by Interim City Manager William E. Cochran cancelling the Governing Body Meeting on August 2, 2022 and November 8, 2022, was presented.

Bill Cochran, Interim City Manager, reported approval would cancel the Governing Body meetings scheduled for August 2, 2022 and November 8, 2022, the same dates as the 2022 Primary and General Elections respectively.

Councilmember Duncan asked if the Governing Body could schedule a third meeting in August if needed for budget discussions.

Interim City Manager Cochran stated the Mayor has the ability to call a special meeting if needed; however, he would suggest the Governing Body keep August 23, 2022, in mind as an available meeting date in case it is needed.

Councilmember Hiller asked about the upcoming Governing Body meeting calendar.

Stephen Wade, Director of Administrative and Financial Services, stated a budget workshop is scheduled on July 26, 2022, and at this time, he does not anticipate the need for a special meeting to be held in August; however, it will depend on how the Governing Body moves through budget deliberations. He stated the budget is scheduled for approval on September 13, 2022, in order to meet the October 1, 2022, deadline to certify the budget to the Shawnee County Clerk.

Councilmember Kell asked how much public notice is needed to call a special meeting.

Amanda Stanley, City Attorney, stated a reasonable amount of time is required. She would suggest at the very least a 24-hour notice and would prefer as much notice as possible.

Councilmember Ortiz moved to approve the resolution. The motion seconded by

Councilmember Naeger carried unanimously. (9-0-0)

DISCUSSION concerning a Resolution of Intent authorizing the issuance of Industrial Revenue Bonds (IRBs) in the amount of \$24,500,000 to facilitate the acquisition and renovation of the former Topeka Holidome located at 605 S.W. Fairlawn Avenue, Topeka, Kansas, was presented.

Bill Cochran, Interim City Manager, reported the Industrial Revenue Bonds (IRBs) will be used to develop workforce rental housing units in the same location as the former Topeka Holidome.

Stephen Wade, Director of Administrative and Financial Services, stated on November 16, 2021, the Governing Body approved \$10 million in IRBs to develop the property. He stated the developers realized renovating the building was too costly and decided to instead demolish the building. He stated the new plan includes a minimum of 220 units at a total cost of \$24.5 million scheduled for approval by the Governing Body on July 12, 2022.

Councilmember Hiller inquired on the language of the public notice in regards to the approval of IRBs in November 2021, and noted the notice did not state the building would be demolished.

Finance Director Wade stated public notice would take place in the form of a public hearing to be conducted at the July 12, 2022, Governing Body meeting.

Councilmember Ortiz asked if there will be any other significant changes to the development the Governing Body should be aware of.

Bill Fiander, Planning and Development Director, stated the developer would be requesting the Governing Body consider the rezoning of the property to accommodate approximately 220-255 units along with two buildings as part of the plan.

Councilmember Kell asked if the project would still be considered affordable housing with the change in plans to demolish the building.

Finance Director Wade reported the documentation received from the developer states 200 of the 220 units will be studio units with one bathroom for an estimated rental cost of \$550 a month; and the remaining 20 units would be two bedroom and one bathroom units for an estimated rental cost of \$750 a month.

PUBLIC COMMENT submitted via email by Henry McClure (Attachment A) was provided by the following individual:

Joseph Ledbetter stated he agrees with Councilmembers Duncan and Dobler regarding lowering the mill levy because citizens have to pay high inflation costs for food, gas, utilities and other essentials. He encouraged those in government to reduce debt and cut costs.

ANNOUNCEMENTS BY THE CITY MANAGER, MAYOR AND MEMBERS OF THE

Bill Cochran, Interim City Manager, thanked the Governing Body for their support of Staff. He highlighted the recent public safety announcement released by the City regarding the upcoming 4th of July Holiday.

Councilmember Kell announced June 22, 2022, is National Heating, Venting and Air Conditioning (HVAC) Technician Day; and June 23, 2022 is National Hydration Day.

Councilmember Naeger reminded people to take care of their pets during the severe hot weather and she asked if anyone sees a pet that needs help to call the Topeka Animal Control Division at 785-368-9484. She announced June is Pride Month and commented on the excellent Human Rights Campaign survey results Topeka received in support of LGTBQ citizens. She reported for more information on the efforts being made by the Topeka Human Relations Commission, visit their web site at www.hrc.org.

Councilmember Dobler referenced the June 14, 2022, Governing Body meeting discussion related to decreasing City reserve funds to 15-20% in 2023. He reported based on the information they received during the budget presentation, if the mill levy rate remains flat in 2023, reserves will be at 27.7% in 2026; and if the mill levy is decreased by one mill in 2023, reserves will be at 26.6% in 2026. He stated due to the healthy amount of cash that will be available in reserves for unexpected expenses he does not see how anyone could not consider decreasing the mill levy next year.

Councilmember Duncan announced the City is accepting applications for the 2022 Citizens Police Academy; the Washburn Rural High School Theater Troupe is performing at the International Thespian Festival in Indiana; the City of Topeka American Plan Rescue Act (ARPA) webinar will be held June 23, 2022 at 6:00 p.m. and posted on the City website; and the Sunflower State games will be held in Topeka from July 8 – 24, 2022.

Councilmember Hiller thanked Staff for their work on various ongoing projects as well as Committee members. She stated the Sunflower Music Festival would continue through June 25, 2022.

Councilmember Ortiz thanked Staff for creating a 4th of July Fireworks informational flyer for distribution. She announced Chase Middle School located at 2250 NE State Street will be hosting the Gibbs Elite Basketball Academy on July 11-14, 2022 for 6th, 7th and 8th grade students. She reported the camp is free of charge; however, they are in need of donated lunches for camp participants. She expressed her appreciation to City Street Department employees, City Attorney Stanley, Director of Administrative and Financial Services Wade and other Staff members who have made themselves available and provided her assistance.

Councilmember Emerson thanked Braxton Copley, Interim Public Works Director, for his

assistance in resolving issues related to the construction of a new church in District 4. He also thanked the Topeka Police Department and City Attorney Stanley for their assistance in helping resolve issues between surrounding residents and the owner of an event center in District 4.

Mayor Padilla announced the Fiesta Mexicana event would be held July 14-16, 2022, at the Our Lady of Guadalupe Church. He stated on June 22, 2022, the Topeka Police and Fire Department recruits will graduate from their respective academies. He announced on June 30, 2022, there will be a media viewing of the “Mayor’s Art Initiative” in the Office of the Mayor in order to support art appreciation and showcase local artists. He thanked the local Arab Shriners for hosting the Shriner's Anniversary Feztival on June 18, 2022 at the Evergy Plaza.

Councilmember Kell moved to recess into executive session for a period of time not to exceed 25 minutes to discuss employer/employee negotiations relating to healthcare negotiations as authorized by KSA 75-4319(b)(3). To aid in the discussion, the following individuals were present: Members of the Governing Body; Interim City Manage and any other staff he deems necessary. No action was anticipated when the meeting resumed open session in the City Council Chambers. The motion was seconded by Councilmember Dobler.

Mayor Padilla asked all those in favor of recessing into executive session to indicate so verbally by saying “yea” and those opposing to indicate so verbally by saying “no.” After the voice vote occurred, Mayor Padilla announced the motion carried on voice vote.

Councilmember Ortiz voted “no”. (8-1-0)

Following a 25-minute time period, the meeting reconvened into open session and Mayor Padilla announced no action was taken during the executive session.

NO FURTHER BUSINESS appearing the meeting adjourned at 9:15 p.m.


(SEAL)

Brenda Younger,
City Clerk

Attachment A

Kelly L. Bogner

From: Henry McClure <mcre13@gmail.com>
Sent: Tuesday, June 21, 2022 4:41 PM
To: Bill Cochran
Cc: Governing Body; City Clerk
Subject: Ordinance - Downtown D-3 Rezoning (Z22/02)

 **This message needs your attention**

- You've never replied to this person.
- This is a personal email address.

Powered by Mimecast

Bill,

I watched the zoning case the council will be approving tonight. I want to say I support this action and hope the City gives the approval needed. If approved, I will be moving downtown and living in a building in this area.

Please consider in the future giving more time to speakers who own property or are in the notification area. That is the only hearing & 4 minutes just is too constraining.

Thanks for all you do.

6. ACTION ITEMS:

A. Ordinance - Downtown D-3 Rezoning (Z22/02)

ORDINANCE introduced by Interim City Manager William E. Cochran amending the “District Map” referred to and made a part of the Zoning Ordinances by Section 18.50.050 of the Topeka Municipal Code, by providing for certain changes in zoning on properties located within Downtown Topeka from “M-2” Multiple Family Dwelling District, “C-4” Commercial District, and “O&I-2” Office and Institutional District, “D-1” Downtown District, “I-1” Light Industrial District, “I-2” Heavy Industrial District TO “D-3” Downtown District. (Z22/02) (Council District No. 1)

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Henry McClure
Time kills deals
785-383-9994