

## **Council Minutes – April 16, 2013**

COUNCIL CHAMBER, Topeka, Kansas, Tuesday, April 16, 2013. The Councilmembers of the City of Topeka met in regular session at 6:00 P.M., with the following Councilmembers present: Councilmembers Hiller, Campos II, Ortiz, Everhart, De La Isla, Manspeaker, Schwartz, Gray and Harmon -9. Mayor Larry E. Wolgast presided -1.

AFTER THE MEETING was called to order, Councilmember Ortiz gave the invocation.

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

A PRESENTATION on the 2013 General Fund Adjustments was presented.

Phil Wolfe, Nichols & Wolfe Chartered, provided a brief discussion relating to the different types of bond financing available to the City including combined utility revenue bonds, general obligation bonds and industrial revenue bonds. He stated the principal reason to refinance bonds is to gain an economic advantage, which is applied through the City's longstanding policy to only conduct refunding transactions if there would be an economic benefit to the City. He noted the current refunding bond rate, a bond paid within 90 days of the issue date, is 3% present value savings to the City and the advanced refunding bond rate, which is anything that is paid more than 90 days of the issue date, is 5% present value savings. He explained the goal of saving interest costs to project the economic advantage to the City is that the present value savings of the debt service from the issuance of the new bonds is compared to the higher aggregate debt service on the bonds being refunded.

Jeff White, Columbia Capital Management, reported he would serve as a financial advisor to the City to present the bonds to the market and help the City exchange the higher debt rate to a lower rate. He explained short-dated call options range between five to eight years allowing the City to take advantage of low interest rates and refunding opportunities to occur

more frequently, as well as, the opportunity to take advantage of lower rates. He noted he expects to see approximately five to six bidders for this type of bonds during the bid process. He stated he is proposing to move the savings up to the front of the loan (front loading the loan) which means the payments the City is making today will stay the same in the future; however, the savings expected to accrue will be accomplished this year because it allows the City to enhance liquidity. He also reported the City of Topeka has a strong Combined Utility Revenue rating of Aa3; however, the more important rating is the City's general obligation bond rating of Aa2, ensuring the general fund balance remains healthy which saves money in the future for borrowing.

Jim Colson, City Manager, stated he wanted to continue to identify and support the actions the City is taking to protect the general fund balance and bond rating. He noted all the actions would allow the City to move forward in a more responsible fiscal manner. He reported by taking the actions outlined below the General Fund Balance should increase by \$700,000 by the end of 2013, instead of decline by \$1.5 million as originally planned, this is assuming that all revenue and expenditures come in as budgeted. The adjustments are outlined below:

**Increase the PILOT from the Utilities just under \$1.5 million:**

- Budgeted for 2013 was \$5,565,295
- Revised amount for 2013 would be \$7,063,852
- Adjustment was made by increasing the mill levy rate from 32.928 mills (2012 Rate) to 35.864 mills (2013 Rate). This adjustment is consistent with the method the City has used to calculate PILOT (Payment In Lieu Of Taxes) for a number of years.
- This additional cost to the Utilities in 2013 is to be offset by refunding the Combined Utilities Revenue Bonds. The current estimate of savings is \$1.8 million. Utilities would keep the remaining \$300,000

**Transfer of Traffic Operation Expenses to Street Department:**

- Estimated transfer of expenses from the General Fund in contractual services and commodities at \$300,000.

**Reduction of IT Fees from the General Fund of \$350,000:**

- Cutting website development by \$85,000
- Cutback on computer roll out by \$90,000
- Reduce programming support by \$50,000
- Lease interest reduction \$35,000
- Transfer Water IVR lease to Water \$90,000

**Increase in Investment Income by \$50,000 based upon more active management of the City's pooled cash.**

Councilmember Manspeaker questioned if reducing funds for website development would limit or delay the direction of the new website.

Pam Simecka, Budget and Finance Director, stated the proposal would realize a savings for the City and would not limit website implementation. She reported that originally there was \$185,000 earmarked for new website development; however, the City could not implement all the proposed website changes within the first year; therefore, funding has been reduced to \$85,000.

Councilmember Hiller questioned what projects would be effected as a result of the reduction in street funds and when the funds would be recovered. She commented on the proposed plan to repair eight miles of water mains a year and asked if the budget adjustments would impact the water fund. She also asked if the Combined Water PILOT (Payment In Lieu Of Taxes) program would drop back to 3% after 2013.

Pam Simecka reported they would continue to monitor the cash balance over the next couple of years; they plan to review the capital improvement budget and space out equipment purchases; the adjustments will have a positive effect on the utilities fund reflecting a \$300,000 increase; and the Combined Water PILOT Program is calculated based on the previous year's mill levy.

Mayor Wolgast commended staff for the informative presentation. He encouraged Councilmember Hiller to meet with staff after the Council meeting to answer any additional questions she may have regarding the Combined Water PILOT program process.

Councilmember Hiller moved to add an ordinance authorizing the sale, consumption and possession of alcoholic liquor for the 8<sup>th</sup> Avenue Friday Concert Series to the Council agenda under First Readings. The motion seconded by Councilmember Schwartz carried unanimously.

(9-0-0)

Mayor Wolgast announced the ordinance would be placed on the Council agenda as item 7C under First Readings.

THE CONSENT AGENDA was presented as follows:

MINUTES of the regular meeting of April 9, 2013, was presented.

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

<u>Business Name</u>	<u>Address</u>
Lazy Toad	5331 SW 22 <sup>nd</sup> Place, Suite 2
Oscar's	1424 SW Lane Street
Reed's	2920 SE Croco Road
Theatre Club of Topeka	3028 SW 8 <sup>th</sup> Avenue

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

CHARTER ORDINANCE NO. 111 introduced by City Manager Jim Colson, amending City of Topeka Code Section A9-2 and repealing said original section concerning the Topeka Metropolitan Transit Authority placed on first reading April 9, 2013, was again presented.

Councilmember Manspeaker reported the Policy and Finance Committee met on March 29, 2013, and voted to recommend continuance of the current 4.2 mill levy by a vote of 2-0-0 with one member absent.

Rodd Miller, Topeka Metropolitan Transit Authority Board Chair (TMTA), stated the Governing Body authorized a mill levy cap not to exceed 4.2 mills in 2012 and 2013, and the Board is requesting a continuance of the current 4.2 mill levy for fiscal year 2014.

Councilmember Gray asked why TMTA is requesting a continuance of the 4.2 mill levy.

Mr. Miller reported it has been awhile since TMTA has had a permanent increase so the temporary injection of money and cuts to federal funding has resulted in cutting services in the community. He stated he believes TMTA is at a level of service that can be maintained over time.

Councilmember Ortiz questioned the federal funding formula and how it is distributed.

Mr. Miller confirmed the federal funding formula is changing; however, he stated he believes the TMTA is in a positive position to maintain services with the current level of funding.

Councilmember Ortiz spoke in support of the charter ordinance; however, she is hesitant to agree to a mill levy cap. She expressed appreciation for the bus transportation service improvements and incentives that are offered to patrons and commended TMTA for being innovative and increasing ridership.

Councilmember Harmon expressed his appreciation to the new leadership of the TMTA Board; however, he is hesitant to approve the continuance of the 4.2 mill levy because it was initially intended to be a temporary request which seems to have turned into a permanent increase.

Councilmember Hiller expressed her appreciation to the TMTA Board and staff members for all the hard work and dedication they have had to provide in order to get to this point in providing service to the community with only a slight increase in funding.

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

The charter ordinance was adopted on roll call vote as follows: Ayes: Hiller, Campos II, Ortiz, Everhart, De La Isla, Manspeaker, Schwartz, Gray, Harmon and Mayor Wolgast -10.

APPEAL by Timothy Wilson of the Police Chief’s denial of application for a private security guard license was presented.

JaLynn Copp, Topeka Police Department Legal Counsel, reported the applicant, Timothy Wilson, applied for a private security guard license on February 19, 2013. She briefly discussed Mr. Wilson’s application and stated the denial was based upon the applicant’s 1997 diversion for felony theft and false writing. She also stated City Code authorizes the Chief of Police to deny an application based upon felony convictions which include diversions that occurred within 20 years prior to the date of application. She reported staff is recommending the Council uphold the denial of the appeal.

Councilmember Ortiz asked the applicant why he did not answer all the questions listed on the application.

Timothy Wilson, applicant, stated it was not his intent to not answer the questions; however, he did not bring his reading glasses with him and was unable to see all the questions and answer accordingly.

Councilmember Gray referenced a similar license appeal case in 2012 and questioned why moral turpitude was not listed on the application.

JaLynn Copp stated Councilmember Gray was referring to a mobile food vendor license application case in 2012, and the definition of moral turpitude has been addressed within the application process.

Councilmember Schwartz asked what the penalty is for perjury.

JaLynn Copp stated she would research the issue and report back to the Council.

Councilmember Ortiz asked if the application addresses the penalties of falsifying information on the application.

JaLynn Copp stated the application does not address false information; however, it does say information will be relied upon in determining an approval or denial of the license.

Councilmember Harmon moved to approve the denial of private security guard license appeal. The motion seconded by Councilmember Everhart carried. Councilmember Campos II abstained. (8-0-1)

A PROJECT BUDGET in the amount of \$60,000 and RESOLUTION NO. 8507 introduced by City Manager Jim Colson, authorizing Improvement Project No. T-241017.00, which provides for citywide 50/50 sidewalk repairs, as more specifically described herein was presented.

Mike Teply, Public Works Director, gave background information on the City's 50/50 Sidewalk Improvement Program which started in 2006 and stated approximately 704 property owners have participated in the program since then. He reported the project removes and replaces damaged or hazardous concrete or brick sidewalks throughout the city. He stated the City assists in the funding of the repairs by providing funding for 50% of the repair costs and property owners must pay the remaining 50% share of the repair costs before the construction is scheduled.

Councilmember Hiller stated she is pleased to see brick sidewalks are now included in the 50/50 Sidewalk Improvement Program.

Councilmember Hiller moved to approve the project budget and resolution. The motion seconded by Councilmember Manspeaker carried unanimously. (9-0-0)

ORDINANCE NO. 19810 introduced by City Manager Jim Colson, allowing and approving City expenditures for the period of March 2, 2013, through March 29, 2013, and enumerating said expenditures therein was presented for first and final reading.

Jim Colson, City Manager, stated approval would authorize City expenditures in the amount of \$10,912,982.21.

Councilmember Manspeaker questioned what some of the expenditures were and asked if a memo on the checks could be listed to help Councilmembers better understand the expenditures. He stated there seems to be a purpose for the expenditures listing by groups; however, he believes there could be a better definition. He also asked if the City has a purchasing agent.

Pam Simecka, Budget and Finance Director, stated the City's Contracts and Procurement Department handles the purchasing, bid process and request for proposals.

Jim Colson reported there are several programs being reviewed and analyzed by City staff that would be very helpful in outlining where tax dollars go to improve transparency.

Councilmember Manspeaker suggested the City explore the possibility to potentially save money in payments made to Westar Energy in the amount of \$92,000 for street lights by upgrading to LED lighting systems.

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

The ordinance was adopted on roll call vote as follows: Ayes: Hiller, Campos II, Ortiz, Everhart, De La Isla, Manspeaker, Schwartz, Gray and Harmon -9.

No Retail Cereal Malt Beverage or Scrap Metal Dealers License applications were presented.

AN ORDINANCE introduced by City Manager Jim Colson, authorizing the issuance of \$36,000,000 aggregate principal amount of Combined Utility Refunding Revenue Bonds, Series 2013-A, of the City of Topeka, Kansas, under the authority of K.S.A. 10-116A and K.S.A. 10-1201 et seq., and all amendments thereto was presented for first reading.

AN ORDINANCE introduced by Councilmember John Campos II, authorizing the sale, consumption and possession of alcoholic liquor at specified locations and times for the Sacred Heart-St. Joseph Parish 2013 Germanfest celebration on June 1 and 2, 2013, pursuant to K.S.A. 41-719(a)(2) and K.S.A. 41-2645(e)(1) was presented for first reading.

AN ORDINANCE introduced by Councilmember Karen Hiller authorizing the sale, consumption and possession of alcoholic liquor at a specified location and time for the 8<sup>th</sup> Avenue Friday Concert Series pursuant to K.S.A. 41-719(a)(2) and K.S.A. 41-2645(e)(1) was presented for first reading.

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

Jim Colson, City Manager, referenced the Countywide Half-Cent Sales tax issue and stated a presentation would be given to the Council as early as next week outlining what has occurred to this point and the objectives that have been accomplished. He stated he would like to know the Council's perspective and how they want to move forward with Shawnee County and the City is considering hosting town hall meetings to gather public input on the issue. He encouraged the community to attend the Neighborhood Summit Collaboration and Empowerment meeting on April 20, 2013, from 10:00 a.m. to 12:00 p.m. noon at the Ramada

Inn Convention Center, Grand Ballroom located at 420 SE 6th Avenue. He stated the meeting would feature break-out discussions and expert panels to partner with the community to develop or enhance and support the neighborhoods as they grow. He also reported the City would hold an informational Open House on April 18, 2013, from 4:30 p.m. to 6:00 p.m. at Washburn University campus in the White Concert Hall lobby to share information with the public about the SW 17<sup>th</sup> Street project between SW Washburn and MacVicar Avenues. He noted City staff members will be on hand to answer questions about the project during the event. He provided preliminary information regarding the Governing Body Retreat scheduled on May 4, 2013, from 10:00 a.m. to 1:00 p.m. with the location to be determined. He reported he is working on an outline and will contact each Councilmember to find out what they prefer to accomplish during the retreat to help the City move in the right direction with the goal to implement effective communication protocol between City staff and the Governing Body from a policy and operational perspective to achieve better City operations.

Mayor Wolgast acknowledged the Boston Marathon bombing events on April 15, 2013, and stated the thoughts and wishes of the City of Topeka are reaching out to the people of Boston.

Councilmember Ortiz stated she has received Council Committee requests and will assign members in the near future. She asked Brendan Wiley, Topeka Zoo Director, to comment on the events happening at the Topeka Zoo.

Brendan Wiley, Topeka Zoo Director, stated the Zoo is partnering with Schendel Pest Control to offer a unique opportunity, the Schendel Bug Zoo which opens to the public on April 18, 2013. He reported the new bug zoo would offer a great educational outreach program for children and encouraged the community to visit the new addition to the zoo.

Councilmember Manspeaker clarified the actual payment to Westar Energy was \$127,000, for street lights in the expenditure ordinance passed this evening, and the payment of \$92,00 was for the cost to run the City's Waterworks plant. He suggested the City consider other options for residents to repair sidewalks because one of his constituents has 1,000 feet of sidewalk that is in need of repair. He stated the 50/50 Sidewalk Improvement Program would be too expensive to make repairs in this case and proposed a special assessment on property taxes be considered. He also stated he would be attending the informational Open House regarding the SW 17<sup>th</sup> Street project on April 18, 2013, from 4:30 p.m. to 6:00 p.m. at Washburn University campus in the White Concert Hall lobby and encouraged constituents to email him with questions regarding the project and he will contact City staff so that they are able to address the issues at the meeting.

Councilmember Schwartz expressed appreciation to City staff for assisting her with the new transition as a member of the Council. She stated she is looking forward to developing a newsletter for Council District No. 7 and offered to assist other councilmembers who may be interested in developing their own Council District newsletters. She referenced the US News Health report article "Obesity in America: 10 Fattest Cities" dated March 13, 2012, and reported Topeka was listed as No. 8. She stated she plans to work towards attaining public health grants for the City of Topeka to assist with these types of issues in the community.

Councilmember Hiller stated she would be pleased to see an overall comprehensive sidewalk repair plan for the 50/50 Sidewalk Improvement Program because there are so many people who would like to repair their sidewalks but do not have the means to do so. She commended Joshua Nottingham, a Dillon's employee, for his heroic efforts and wished him a smooth recovery.

NO FURTHER BUSINESS appearing the meeting was adjourned at 7:25 p.m.

---

Brenda Younger  
City Clerk