

Supplement 4: 2017 Budget Council Q & A



Responses to Councilmember Questions from June 28, 2016 Budget Committee Meeting.

1. Provide more information on streetlights: what is the purchase price vs. leasing amount?

This request is a longer term project that will be discussed, investigated and addressed comprehensively at a future date.

2. Provide more info on the fuel contract; what is the negotiated price for fuel?

The current fuel contract is with Capital City Oil which was renegotiated in Oct. 2013. The contract is a five year contract with two possible extensions.

For budgeting annual fuel expenditures we evaluate past and current fuel price trends from information provided by the US Department of Energy and other fuel index services. The fuel contract with Capital City Oil is based on the average Topeka Rack Price per gallon from the Oil Price Index Survey (OPIS) plus additional costs. OPIS is an information service provider to the petroleum and natural gas industry on historical and current market trends in fuel pricing. The Topeka Rack price is a wholesale fuel price and not a retail price that an individual pays at the pump. The additional cost the City pays over the average Topeka Rack price are:

No Lead 87 Octane	\$0.0204 freight, taxes/fees and margin of \$0.05
No Lead 91 Octane	\$0.0204 freight, taxes/fees and margin of \$0.05
#2 Diesel	\$0.0404 freight, taxes/fees and margin of \$0.05
Winter Blend Diesel	\$0.0404 freight, taxes/fees and margin of \$0.10
Dyed #2 Diesel	\$0.0404 freight, fees and margin of \$0.05
#1 Diesel	\$0.0404 freight, taxes/fees and margin of \$0.05

Current applicable taxes and fees are:

\$0.24 per gallon	State Gasoline Tax
\$0.26 per gallon	State Diesel Fuel Tax
\$0.01 per gallon	State Environmental Fee (when enforced)

When budgeting for their next fiscal year, Departments are provide with this information along with prior year actuals so they can make necessary adjustments.

Supplement 4: 2017 Budget Council Q & A



3. What is the split in parking revenue for parking garages vs. on street parking?

Below is a table that summarizes this information.

Revenue Source	2014	2015	2016 (Jan. - May)	2017
Garages	\$ 2,264,434	\$ 2,144,196	\$ 907,483	\$ 2,144,196
Lots	\$ 86,911	\$ 68,390	\$ 33,492	\$ 68,390
Meters	\$ 353,217	\$ 277,215	\$ 119,532	\$ 227,581
Permits	\$ 46,464	\$ 52,800	\$ 19,300	\$ 52,800
Fines	\$ 199,852	\$ 183,287	\$ 66,946	\$ 183,287
Meter Hooding	\$ 91,002	\$ 103,140	\$ 46,685	\$ 103,140

4. Provide additional facts and figures related to parking.

There were several other general questions about parking. In addition to the information below, staff will revisit parking with Council in a comprehensive manner at a later date.

- It's estimated that \$76k was lost in meter revenue between 2014 and 2015, part of which was due to the free parking at the hooded meters in 100 blocks east and west of Kansas Avenue.
- Technology Update: Parking Control officers currently uses the AutoIssue X3 handhelds. These units are used for the issuance of parking citations for expired meters and Overtime Parking in the central downtown business district. The unit allow for the officers to electronically record citation information and print directly from the handheld unit. We also use the technology to "electronically "mark vehicles by recording license plate numbers along with location. Recently we have been using this marking feature to measure utilization of on-street spaces to assess on-street parking demand throughout metered and timed spaces downtown. Additionally, five of our seven (excludes Coronado and 512 Jackson) garages have received gate technology upgrades to monitor hourly usage for traffic in and out of the garage. This technology also provides lane detail reports on revenue generated daily per garage per day and transmits information electronically.
- The Appendix includes a summary of garage and surface lot utilization.

5. What is the highest amount ever spent on snow removal commodities such as deicer?

The City records these costs based off of snow season as opposed to fiscal year. A snow season will run from November to March. The highest amount The City spent on these types of materials such as deicer was the 2010-2011 snow season when \$579,159 was spent.

Supplement 4: 2017 Budget Council Q & A



6. Provide a 4-year history for the social service information found on page 182.

Please see below for a table of the requested information.

Social Service Grants	2014	2015	2016	2017
Total Grants (General Fund & CDBG)	\$ 715,076	\$ 709,920	\$ 742,487	\$ 784,881

Franchise Fees	2014	2015	2016	2017
Total Rebates (General Fund & Utilities Combined)	\$ 180,100	\$ 180,100	\$ 200,100	\$ 200,100

Special Alcohol	2014	2015	2016	2017
Total Grants	\$ 515,433	\$ 636,349	\$ 600,000	\$ 620,000

Youth Employment Program	2014	2015	2016	2017
Total Program Budget	\$ -	\$ -	\$ 50,000	\$ 50,000

7. What is the average amount of employees leaving and entering the City each year?

In order to answer this question staff put together the following table which outlines new hires and terminations for 2014-2016. Terminations include deaths, failure to complete probation, medical disability, reduction in force, job abandonment, and termination.

Year	Total New Hires	Year	Retirement	Termination	Total
2014	92	2014	31	60	91
2015	126	2015	57	78	135
2016	70	2016	17	28	45
Total New Hires 2014 - 2016 YTD	288	Total Terminations 2014 - 2016 YTD	105	166	271
Yearly Average New Hires	115.2	Yearly Average Terminations	42	66.4	108.4

8. Please provide detail for what the \$2.3m transfer in the Citywide Half Cent Sales Tax was for on page 89.

This was for the following two projects completed and partially funded by Citywide Half Cent funds. Citywide Half Cent Sales Tax funds were limited to replace existing pavement, sidewalks, medians, and curb & gutter.

- SW Kansas Ave 6th to 10th (Project # 601020.02) at a cost of \$1,050,000 which was authorized by resolution 8481. This project was for improvements on S. Kansas Avenue between SW 6th Street and SW 10th Street including final design, inspection, utility improvements, lighting, and removal and replacement as necessary of existing sidewalks, medians, crosswalks, curbs, gutters and pavement.
- 17th St Washburn to MacVicar (Project # 601033.00) at a cost of \$1,250,000 which was authorized by resolution 8497. This project replaced the existing three lanes of pavement on SW 17th Street between SW Washburn Avenue and SW MacVicar Avenue and construct landscaped medians in the center lane between SW Mulvane Street and SW Jewell Avenue. The project included pavement, sidewalks, lighting, medians, storm sewer and inlets, landscaping and irrigation.



9. Please provide additional information on the College Hill Tax Increment Financing District.

On July 27, 2006, the City issued its \$5,840,000 Full Faith and Credit Tax Increment bonds (the "College Hill Bonds") supporting the College Hill redevelopment project. The City created the College Hill Redevelopment District (the "College Hill Redevelopment District") pursuant to K.S.A. 12-1770 et seq. (the "TIF Act") and an ordinance adopted by the governing body of the City on February 14, 2006. The Developer of the Project, Washburn-Lane Parkway Renovations, LLC, a Kansas limited liability company, prepared and submitted to the City its project plan (the "College Hill Redevelopment Plan"), which was reviewed by the City's planning commission on February 27, 2006. The City then passed an ordinance on April 4, 2006, adopting the College Hill Redevelopment Plan for the College Hill Redevelopment District. The City is authorized under the TIF Act to issue the College Hill Bonds for the purpose of implementing the Redevelopment Plan.

As of October 1, 2010, the Project was complete and operational. After modifications during permitting and construction, the Project as built includes 183 apartment units; 25 townhomes; 23,927 square feet of commercial retail space; and, 635 parking spaces. On September 27, 2010, the City received a copy of a Notice of Default, Acceleration, and Demand letter from Lathrop & Gage, LLP representing CoreFirst Bank & Trust (the "Bank"), stating that the Developer was in default under its private loan documents with the Bank. On November 2, 2010, the Bank filed an action seeking a judgment against the guarantors of the Bank's loans for approximately \$20,000,000. CoreFirst Bank & Trust v. Roth, et al., Case No. 10C1573, 3rd Judicial District, Shawnee County, Kansas. On June 16, 2011, the Bank dismissed its action, having worked out an agreement among the parties. The City is currently attempting to obtain a copy of the loan restructure agreement.

The Redevelopment Agreement required all buildings to be constructed by August 2007. Because the Developer was not able to sell the townhome condominiums in buildings E and F, the Developer sought an extension of time to construct Building J which is also comprised of townhome condominiums. The Topeka City Council agreed to an amendment to the Redevelopment Agreement that extended the deadline for construction of building J until December 31, 2010 in return for an annual payment of \$23,615 to the City's water utility. The Topeka City Attorney's office sent the Developer a notice on October 15, 2010, that since the building J was not going to be completed by December 31, 2010, the Developer would need to request the Topeka City Council to grant an additional extension related to the construction of building J. No request has been forthcoming. The City also has an unperfected second lien on the Project's real estate.

The City could sue on a breach of contract theory for the failure to timely construct Building J. The organization of the Developer as a limited liability company (LLC), however, will limit collection of any judgment to the assets of the LLC. The liabilities of the LLC significantly exceed its assets.

Supplement 4: 2017 Budget Council Q & A



10. Please provide the revenue expectation compared to actual generation for the two CIDs?

The City currently has two CIDs within the City they are the Crosswinds development at 12th and Wannamaker and the Holliday Square development at 29th and Topeka Blvd.

Crosswinds Development

In looking through the crosswinds development information there were no projected revenues included in packets of information. A part of the development agreement included the STR thresholds, once these thresholds are met, the City then pays 80% of sales taxes generated above those thresholds from the 1% sales tax that is collected for the general fund. The chart below shows the STR threshold and the total sales in the area for 2015 compared to the threshold. The developer is capped at a total of \$5.4 million in CID reimbursements.

Holliday Square Development

Included in the Holliday Square information was a projection of generated revenue for the district. The information included shows the developer estimates compared to the actual reimbursements to the developer. The development is capped at an overall \$4,574,085 for CID reimbursements.

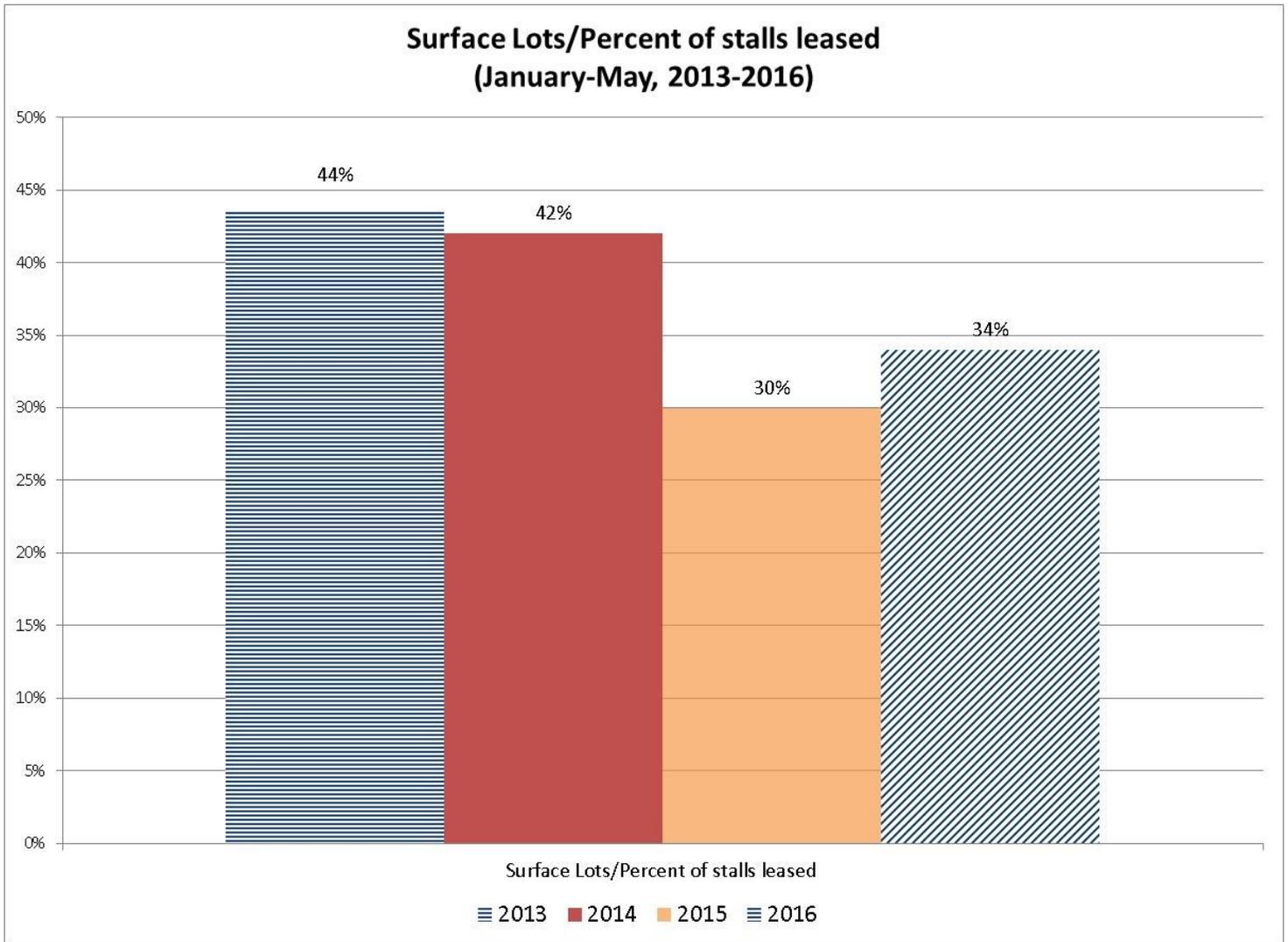
Crosswinds Development			
Year	STR Threshold	Total Sales	Above Threshold
2015	\$ 14,000,000	\$ 20,191,133	\$ 6,191,133
2016	\$ 14,210,000		
2017	\$ 14,423,150		
2018	\$ 14,639,497		
2019	\$ 14,859,090		
2020	\$ 15,081,976		
2021	\$ 15,308,206		
2022	\$ 15,537,829		
2023	\$ 15,770,896		
2024	\$ 16,007,460		
2025	\$ 16,247,572		
2026	\$ 16,491,285		
2027	\$ 16,738,654		
2028	\$ 16,989,734		
2029	\$ 17,244,580		
Certified Costs for Reimbursement			\$ 5,400,000
<i>(Developer reimbursement not to exceed \$5.4 m)</i>			
Costs Reimbursed			
	2014	\$	24
	2015	\$	313,874
	2016	\$	131,042
	Total	\$	444,940

Holliday Square Development			
Year	Developer Est	Actual Reimbursement	
2012	\$ -	\$	5,747
2013	\$ 61,294	\$	78,416
2014	\$ 61,907	\$	83,907
2015	\$ 62,525	\$	84,312
2016	\$ 63,151	\$	33,098
2017	\$ 63,782	\$	-
2018	\$ 64,420	\$	-
2019	\$ 65,064	\$	-
2020	\$ 65,715	\$	-
2021	\$ 66,372	\$	-
2022	\$ 67,036	\$	-
2023	\$ 67,706	\$	-
2024	\$ 68,383	\$	-
2025	\$ 69,067	\$	-
2026	\$ 69,758	\$	-
2027	\$ 70,455	\$	-
2028	\$ 71,160	\$	-
2029	\$ 71,872	\$	-
2030	\$ 72,591	\$	-
2031	\$ 73,317	\$	-
2032	\$ 74,049	\$	-
2033	\$ 74,790	\$	-
2034	\$ 75,538	\$	-
	\$ 1,499,951	\$	285,480
Certified Costs for Reimbursement			\$ 2,041,177
<i>(Developer reimbursement not to exceed \$4,574,085.31)</i>			



Appendix

Below is further information regarding usage and availability of the City's parking lots and garages.





Appendix

Percentage of Garage Stalls Leased
(January-May, 2013-2016)

