

Supplement 2: Councilmember Questions received April 2016



The following questions were submitted by Councilwoman Hiller via email regarding the 2017-2021 CIP (www.topeka.org/cip) and 2015 4th Quarter Financial Report (<http://www.topeka.org/Administrative/QuarterlyReports.shtml>).

1. Fire Engine 2014 , project # 17034.05: We didn't buy it? It is not encumbered, and I don't see it carrying forward. Do we need to cancel this project?

This is currently ordered; the lead time for the engine is about 300 days. We do not need to cancel the project as it is being ordered.

2. Municipal Building Renovations, project # 131036: Please give the full cost for the municipal buildings renovation project and detail out tax credit options.

The total for the Municipal Building Renovation projects based on the 2017 CIP is \$2,752,375. This will replace the previous project budget of \$1.2m. This is found on page 46 of the CIP. Tax credits would be available for 25% of qualifying expenses, which would equal approximately \$688,094, we would possibly receive 90% of those qualifying expenses in the market resulting in approximately \$619,284 being available from tax credit funds.

3. Huntoon/Arvonias/I-470, project # 701014: Was opened in 2015 for \$2,000,000; nothing spent as of 12/31/15. Project cost in the 2016 CIP was \$2,000,000, to be spread over 2016-2018. 2017 draft CIP shows the project on p. 34 as \$5,000,000 in 2017-2018. Please give the full cost for Huntoon/Arvonias/I-470 project and detail out how and when this money will be spent.

The \$2.0 million in the 2016-20 CIP for the Arvonias/Huntoon/I-470 project was a placeholder until the study of the area was completed and a more defined cost of improvements could be determined. The completed study indicated that the total project cost for the Arvonias/Huntoon/I-470 improvements would be \$5.5 million. In the 2017-21 CIP, we included \$2.5 million in both 2017 and 2018 to cover \$5.0 million along with \$0.5 million already approved in 2016 (in the 2016-20 CIP).

4. SE California 29th to 33rd, project # 701011: This project was opened 6/3/14 for \$200,000, of which \$75 has been spent. The project was in the 2016 book at \$2,900,000, showing \$200,000 for right-of-way and other in 2016 and the rest for 2017-2018 still with no design fees. The project comes forward in the 2017-2021 plan with no money reflected in the design/admin or right-of-way lines and then matches the \$2,700,000 for 2017 and 2018. So is the total project cost really \$2,700,000 or \$2,900,000?

The total project budget for the SE California Avenue project from 29th to 33rd is \$3.1 million -- \$200,000 approved in the 2015 CIP for design (opened 6/3/14) plus the \$2.9 million included in years 2016-2018 for right-of-way acquisition, construction, etc.

5. Upstream River Weir , project # 281058.1: Please explain why the full \$2.25 million budget is not shown in the 2017-2021 CIP for the Upstream River Weir.

Total project budget is \$2.25m. \$1.45m was transferred from year end funds to the project at the end of 2015, so the amount on page 112 of the 2017-2021 CIP shows the remaining amount needed.

6. Fire Station #14 was voted in in the 2016-2020 CIP. Please give an update on the project.

This project start date will be contingent on the larger fire station conversation. The design costs were included in the 2016-2020 CIP so total project budget remains the \$3.67m in the prior CIP.



7. Are there disconnects between the 3 year CIB approval process and the past process and resolutions? Does staff feel that this new process is meeting needs?

Having three years' worth of project budgets approved makes it a fluid process that will change annually in the CIP process. Finance staff continues to work with bond counsel to show the progress of projects in the CIP and the total budget authority that was granted by the governing body for projects.

8. Is there lost transparency and additional complications in the new CIB approval process? Do we need to revisit our procedures for Approving Projects (up-front vs. as they are ready to move, and then if they change scope and/or dollars), Opening Projects in our Books (All? Criteria?), Sunsetting (set default, maybe 4 years?) ?

This is a policy decision, however staff is comfortable with the process and think it is a good process that allows for flexibility. In addition, to improve communications on current projects, the City has added project information to the quarterly financial reports; is working on an open project portal for projects over \$250k to allow Governing Body and public access to current projects and their status; and will be doing quarterly project status updates to the Governing Body.

9. Have we looked to compare costs of leasing vs. bonding for the fire trucks rostered in the proposed CIP? What is the difference in cost?

We work with our Financial Advisor to continually look at best financing options for fire trucks.

10. If we finance, are we still looking at bonding for no more than 10 years on them?

When we bond for fire trucks, we will keep them at a 10 year repayment cycle.

11. Have we looked at whether we are ready to pull them back into the operating budget, with annual purchases for cash? If so, when do we think we could shift them back?

The budgetary flexibility does not exist for allowing annual purchases of cash for heavy fire apparatus.

12. Have we been able to downsize fleet and save money, as we were advised, when we decided to lease 30 police cars and 10 fire trucks?

Staff continues to monitor the condition of our fleet and ensure that the fleet fund is of adequate size and budget.

13. What does the Johnson Controls plan say the payback should be on the LED lighting project (2017-2021 CIP page 47) and could our staff install these?

There is a 9 year and 9 month payback on the LED projects. The project is proposed to begin in 2019 simply due to other projects taking priority. We do not have the manpower to do this in-house so it would need to be contracted out. However, if before that time, the opportunity arises to change out light bulbs within current operating budgets, we will begin to implement the strategy when feasible.

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14. Secure Staging Facility (p. 22) for Fire I realize this is set for a few years out, so maybe it is a placeholder. Do we have buildings elsewhere where we could store this equipment? I think of all of the space that the Parks and Rec vehicles, now all at the County took up at our Crane Street facility. Has space there been explored as a possibility?

Fire Apparatus are currently stored in the Fleet shop, at a station or outside in the elements. Obviously, all locations are problematic. Vehicles in the shop disrupt fleet services routinely and decrease shop efficiency. The antiques are stored in the stations. Having a storage facility to house all of the antiques would allow us to store reserve apparatus throughout the city in key locations. The balance of the vehicles are stored outside and are subject to the weather and subsequent deterioration. We currently house: New Public Education trailer (\$70,000); 5 reserve pumpers (\$550,000 each); 2 reserve rescue trucks (\$550,00 each); 1 reserve aerial (\$1,000,000); and 5 Antiques. A secured storage facility with roll up doors to facilitate movement as described above is the ideal and difficult to locate with existing buildings. We will continue to look for facilities that will meet our storage needs.

15. LEC Parking Garage (p. 120) is funded through Debt Service Cash. What is that?

Assuming a flat mill levy for the debt service fund, we are projecting to utilize cash to pay for some identified projects out of the debt service fund in order to reduce bonding needs.

16. Will the Citywide Single Payment Portal (p. 129) handle all bills people pay? Will there be a charge to citizens when paying via credit card and do we have any information on what this charge would be. Animal Control only pays \$0.59 fee per transaction.

Currently we have multiple points of entry for credit card transactions. We would like to work with one vendor to build a payment portal for all City services. Credit card costs per transaction will not be known until it is bid out, however based on current policy the City would continue to pay the fees.

17. Does the CIP and affiliated resolutions grant approval to spend on all projects, even those that are placeholders?

Yes the resolution approves all projects in the three year Capital Improvement Budget.

18. Should certain projects that are not ready to go be included in the resolutions and CIP such as the municipal building renovations and Fire station 14?

The proposed CIP includes staff's current recommendation. If and when necessary, the project budget can be amended.

19. Should we vote on Countywide ½ Cent Sales Tax projects in the CIP/CIB, knowing they may change with the updated Interlocal agreement?

It was a policy decision to include these projects in the CIP starting with the 2016-2020 CIP (<http://www.topeka.org/pdfs/Administrative/CIPBook03-02-15.pdf>, pages 95-100). The 2017-2021 CIP updated the projects to reflect priorities at the time the CIP was drafted, which may not match the final version of the Interlocal Agreement. If necessary, these projects can be amended individually or adjusted with the 2018-2022 CIP.

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20. Should we be detailing out our own debt authority standards as opposed to the State standards?

We can add in information to the final book comparing amounts to the current policy.

21. Using the figures you provided on pages 11-13 of the proposed 2017-2021 CIP, is our current net debt per capita (using 128,000 population) \$1,625?

Net Debt per capita is approximately \$1,632 as of 2015.

22. Is our net debt as a % of assessed value, using 13% as our cap \$149,566,190?

Net Debt per capita is approximately 18.3% as of 2015.

23. Our bond rating goal is Aa3. Where are we at? What are the raters likely looking for to give us that last bump?

GO bond rating is at AA2 with a positive outlook. We are currently going through the rating process and should have an answer soon on the final rating. At a minimum we will stay at a AA2 with a positive outlook.

24. What was our annual debt service actual for 2015? What is budgeted for 2016? Based on expected outstanding debt estimated on p. 13, what do you estimate our annual debt service is likely to be for 2017? 2021?

Debt service payments in 2015 were approximately \$21.2 million. The 2016 budget for debt service payments is approximately \$21.5 million.

2017: \$19.7 m

2018: \$19.9 m

2019: \$20.1 m

2020: \$19.1 m

2021: \$19.5 m

25. What is your figure for our debt per capita as % of personal income?

3.9%

26. How much per year are we spending to cover our \$49.62M in temp notes?

Temp notes are for only a period of one year, for this \$49.62 million it will cost approximately \$1 million in interest.