

Governing Body Minutes – June 18, 2019

CITY COUNCIL CHAMBERS, Topeka, Kansas, Tuesday, June 18, 2019. The Governing Body members of the City of Topeka met in regular session at 6:00 P.M., with the following Councilmembers present: Hiller, Clear, Ortiz, Emerson, Padilla, Jensen, Mays, Coen and Lesser -9. Mayor De La Isla presided -1.

AFTER THE MEETING was called to order, Pastor Marcus Clark, Love Fellowship Church, provided the invocation.

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

A PRESENTATION of United Way Contributions by City of Topeka employees was presented to Jessica Lehnherr, United Way of Topeka.

Bill Cochran, Topeka Police Chief, apologized on behalf of the Topeka Police Department, for the tweet released on June 16, 2019.

BOARD APPOINTMENT recommending the appointment of Debbie Besenyi to the Civil Service Commission to fill an unexpired term ending April 30, 2023, was presented.

BOARD APPOINTMENT of Lindsey Spooner to the City of Topeka Americans with Disabilities Act (ADA) Advisory Council for a term ending June 17, 2021, was presented.

BOARD APPOINTMENT recommending the appointment of Travis Thomas to the Topeka Board of Zoning Appeals to fill an unexpired term ending December 31, 2019, and a three-year term ending December 31, 2022 was presented.

BOARD APPOINTMENT recommending the reappointment of Tim Carkhuff to the Topeka Board of Zoning Appeals to fill an unexpired term ending December 31, 2019, and a three-year term ending December 31, 2022, was presented.

BOARD APPOINTMENT recommending the appointment of Joan Hicks to the Topeka-Shawnee County Public Library Board of Trustees for a term ending April 30, 2023, was presented.

Councilmember Lesser moved to approve the board appointments. The motion seconded by Councilmember Padilla carried unanimously. (9-0-0)

THE CONSENT AGENDA was presented as follows:

MINUTES of the regular meeting of June 11, 2019, was presented.

APPROVAL of a Cereal Malt Beverage License application for Compass Point located at 800 N. Kansas Avenue was presented.

Councilmember Mays moved to approve the consent agenda. The motion seconded by Councilmember Lesser carried unanimously. (10-0-0)

PUBLIC HEARING NOTICE

PUBLIC HEARING on the advisability of establishing a community improvement district (CID) for the Sherwood Crossing/Villa West Development at 29th and Wanamaker.

ORDINANCE NO. 20187 introduced by City Manager Brent Trout, establishing a Community Improvement District (CID) for the Sherwood Crossing/Villa West development at 29th and Wanamaker and levying a CID sales tax of one percent (1%) within the CID was presented.

Doug Gerber, Deputy City Manager, reported the 29th Street Partners, L.L.C., was requesting to establish a Community Improvement District (CID) to be used to pay for the statutory costs incurred by the developer in redeveloping the area.

Mayor De La Isla opened the public hearing and asked if there was anyone present who would like to speak to the matter.

David Christie, Christie Development Managing Principal and Developer, stated he looks forward to starting construction and thanked the Governing Body for being engaged in the process.

Ferd Niemann, Christie Development Director of Development and Acquisitions, thanked the Governing Body for their support. He reported on June 17, 2019, the Planning Commission approved the project plan as presented and now they must wait 30 days as required by state statute before the Governing Body could conduct a public hearing to consider the plan. He requested the Governing Body consider a special meeting on July 19, 2019, to conduct the public hearing.

Councilmember Hiller referenced public input expressing concern with the City becoming involved in a dilapidated shopping center as well as the future of the development when the tax incentive expires in 22 years. She asked why the developers were requesting financing through Industrial Revenue Bonds (IRBs).

Ferd Niemann reported the repair and improvement of all buildings would be necessary to generate revenue and noted the incentives would disappear if requirements are not met. He stated longevity would not be an issue with the Christie Development Group based on the history of the other improvement districts created by the Development Group. He also stated they are requesting IRBs for the purpose of covering the backfill of companies as many businesses do not cover the loss in sales tax.

Upon no one else appearing, Mayor De La Isla announced the public hearing was closed.

Councilmember Coen moved to adopt the ordinance. The motion seconded by Councilmember Jensen carried unanimously. (10-0-0)

The ordinance was adopted on roll call vote as follows: Ayes: Hiller, Clear, Ortiz, Emerson, Padilla, Jensen, Mays, Coen, Lesser and Mayor De La Isla -10.

RESOLUTION NO. 9121 introduced by City Manager Brent Trout, determining the advisability of issuing Industrial Revenue Bonds of the City of Topeka, Kansas, for the purpose of financing the construction, reconstruction, renovation, improvement, equipping and furnishing of commercial facilities located in said city; and authorizing execution of related documents was presented.

Doug Gerber, Deputy City Manager, reported the \$7 million sales tax threshold has been set and the developer intends to use the sales tax exemption estimated at \$650,000 that would become available through issuance of the IRBs for building materials only. He noted the financial impact to the City would be minimal with zero liability.

Councilmember Jensen moved to approve the resolution. The motion seconded by Councilmember Coen carried. Councilmember Emerson voted “no.” (9-1-0)

RESOLUTION NO. 9122 introduced by City Manager Brent Trout, setting the public hearing for consideration of the adoption of a Redevelopment Project Plan for the Sherwood Crossing Redevelopment District was presented.

Doug Gerber, Deputy City Manager, reported the Governing Body established a tax increment financing district (TIF) for the former shopping center on March 19, 2019, followed by consideration and approval of a project plan for the district. He stated State law requires the Governing Body to set a public hearing not less than 30 days nor more than 70 days following the date the resolution was adopted. He suggested setting a special meeting date that would abide by the 30-day requirement while avoiding delays in construction. He noted the first available regular Governing Body meeting would be August 13, 2019.

Governing Body members expressed concern with conducting a special meeting during the day as they believe it would limit public input.

Councilmember Ortiz reported there will be no City primary election; therefore, she would move to schedule a special meeting of the Governing Body on August 6, 2019, and set the public hearing date on August 6, 2019. The motion was seconded by Councilmember Emerson.

Councilmember Jensen made a friendly amendment to reschedule the July 16, 2019, Governing Body meeting to July 23, 2019, and set the public hearing date on July 23, 2019.

Councilmember Ortiz accepted the friendly amendment. The second concurred.

The motion to reschedule the July 16, 2019, Governing Body meeting to July 23, 2019, and set the public hearing date on July 23, 2019 carried unanimously. (10-0-0)

Councilmember Coen moved to approve the resolution as amended. The motion seconded by Councilmember Jensen carried. Councilmember Emerson voted “no.” (9-1-0)

Councilmember Lesser left the room.

ORDINANCE NO. 20188 introduced by City Manager Brent Trout, authorizing initiation of condemnation proceedings to acquire fee title for construction of the Grant-Jefferson Pump Station Project No. T-291061.00 was presented.

Brent Trout, City Manager, reported staff has determined that it will be necessary to acquire fee title to vacant land for the Grant-Jefferson Pump Station Project.

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

The ordinance was adopted on roll call vote as follows: Ayes: Hiller, Clear, Ortiz, Emerson, Padilla, Jensen, Mays, Coen and Mayor De La Isla -9. Absent: Lesser -1.

Councilmember Lesser entered the room.

UPDATE on the progress of Policy and Finance Committee related to evaluation and review of the City's Personnel Code was presented.

Councilmember Coen, Policy and Finance Committee Chair, reported Topeka Municipal Code Section 2.25.100 states that the personnel code shall be reviewed by the city attorney and human resources director during the last quarter of the City's fiscal year, in even-numbered years. He noted the review was completed and referred to the Policy and Finance Committee on March 19, 2019, for review and evaluation prior to submitting to the Governing Body.

Lisa Robertson, City Attorney, reported the Committee has held six separate meetings to date with two additional meetings scheduled in July.

RESOLUTION NO. 9123 introduced by City Manager Brent Trout, to decide settlement of labor agreement impasse with the AFSCME, Council 61 Local 1294, Water Division was presented.

Brent Trout, City Manager, reported on June 11, 2019, the Governing Body conducted a public hearing on the Factfinder's Report and information presented by the Union and City staff. Following the June 11, 2019, Governing Body meeting, discussions began between staff and bargaining unit members to review the proposal of possible changes, and through discussions, staff recommends that Exhibits A and C remain the same and be approved as presented by City staff, and amend Exhibit B, to reflect a total wage increase of 17% over the life of the contract.

Councilmember Lesser moved to amend Exhibit B by changing the 4.5% increase effective December 15, 2018, to a 9% increase; and by changing the 2.5% increase effective December 14, 2019, to a 3.5% increase. The motion was seconded by Councilmember Emerson.

Councilmember Hiller expressed concern with the motion and stated staff has followed the direction of the Governing Body concerning percentage of wage increases that are financially

feasible for the City. She stated approval of the amendment will cause additional expenses to the operating budget potentially causing a rate increase to utility customers.

Councilmember Emerson stated he would support the amendment only if the second shift was implemented for the entire year to give staff flexibility and help ensure the safety of employees.

Lisa Robertson, City Attorney, suggested each Exhibit be considered separately.

Councilmember Lesser withdrew his motion to amend Exhibit B as stated. The second concurred.

Councilmember Emerson moved to amend Exhibit A by deleting the words “during the months of January, February, June, July, August and September” from the first full sentence of Section 2, Paragraph C. The motion seconded by Councilmember Padilla carried.

Councilmember Mays voted “no.” (9-1-0)

Councilmember Lesser moved to amend Exhibit B by changing the 4.5% increase effective December 15, 2018, to a 9% increase; and by changing the 2.5% increase effective December 14, 2019, to a 3.5% increase. The motion seconded by Councilmember Emerson carried unanimously. (10-0-0)

Councilmember Lesser moved to approve the resolution as amended. The motion seconded by Councilmember Jensen carried unanimously. (10-0-0)

RESOLUTION NO. 9124 introduced by City Manager Brent Trout, determining the advisability of a sales tax exemption in connection with the issuance by the City of Topeka, Kansas, of its Industrial Revenue Bond (Sunflower Foundation Project), Series 2019, for the purpose of financing the acquisition, construction, renovation, furnishing and equipping of certain nonprofit health care educational and resource facilities in the city was presented.

Doug Gerber, Deputy City Manager, reported the Governing Body voted in February to approve \$10 million of IRBs for the Sunflower Health Foundation (SHF); however, they did not request a sales tax exemption at that time and would like to do so now. He noted the application would result in a partial sales tax exemption, as the project was financed only partially from IRB proceeds which may result in sales tax being paid on project materials, services and labor. He stated the Foundation preferred to take care of the exemption now rather than wait until the conclusion of the project and apply for a rebate. He commented on the exemption being difficult to calculate; however, staff has estimated the overall incentive value at \$350,000.

Councilmember Emerson spoke in support of the Sunflower Foundation and project; however, he opposes the request for a sales tax exemption because the City could benefit from the proceeds.

Cheryl Bean, Chief Financial and Operating Officer of the Sunflower Foundation, reported there were a number of factors that contributed to the delay in request including the project was taking longer than expected as well as missed opportunities due to inexperience of dealing with a project of this magnitude by the Foundation.

Councilmember Lesser spoke in support of the organization and project and stated he would support the request for sales tax exemption.

Councilmember Clear moved to approve the resolution. The motion seconded by Councilmember Lesser carried. Councilmembers Emerson and Mays voted “no.” (8-2-0)

DISCUSSION on the 2020 City of Topeka Operating Budget was presented.

Brent Trout, City Manager, announced the purpose of the discussion was to begin budget deliberations with a high level overview of the proposed 2020 City of Topeka Operating Budget.

Jessica Lamendola, Administrative and Financial Services Director, provided a broad overview of the following:

2020 Proposed Budget Goals

- Support the 2020 budget priorities established by the Governing Body.
- Present a balanced budget that supports current service levels.

Budget Challenges

- Modest Revenue Growth (0.7% on average)
- Expenditure Growth Outpaces Revenue (2.4% on average)
- Deferred Capital Maintenance

Nick Hawkins, Deputy Administrative and Financial Services Director, provided an overview of the General Fund Revenues and Expenditures; a summary of other funds including Sales Tax, Utilities, Internal Services and Property Tax. He highlighted the contents of the 2020 Budget book distributed to Governing Body members on June 17, 2019, as well as the proposed budget timeline and adoption. He announced budget discussions would continue at the Special Meetings of the Governing Body scheduled on June 19, 2019 and June 25, 2019.

Councilmember Hiller expressed concern with labor compression issues, special liability funds, and the debt service fund as it relates to reducing the capital improvement budget. She commended staff for proposing 3% cuts across the board and encouraged the Governing Body to consider the “big ticket” items when considering cuts to the budget.

Councilmember Jensen reminded Governing Body members of the crucial balance of tax increases as it relates to providing essential services.

Councilmember Clear cautioned the Governing Body to consider raising the mill levy in small increments over time versus a large increment all at once.

Mayor De La Isla reminded Governing Body members that citizens expect a certain level of services and to keep that momentum going by considering an increase to the mill levy at some

point. She commended City staff for presenting a budget with no mill levy increase; however, she questioned how much longer that could continue without cutting essential services.

Joseph Ledbetter referenced the annual decline of population and stated the City must do more with less money. He spoke in opposition of budget cuts in the Topeka Police Department specifically the Mental Health Unit and other service areas needing improvement that directly affect sales taxes and property values. He suggested focusing on productivity and how to increase the population in Topeka.

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

Brent Trout, City Manager, announced Out and About with Trout would be held June 24, 2019, from 1:00 p.m. to 5:00 p.m. at Yak and Yarn located in Fairlawn Plaza; and the proposed 2020 City of Topeka Operating Budget was available on the City's website at www.topeka.org. He provided a brief overview of preparation plans for the Kicker Country Stampede event June 20-22, 2019, and thanked the mutual aid partners who will assist the City during the event including Shawnee County, Kansas Highway Patrol, Kansas Department Of Transportation, Kansas Alcohol Beverage Control and local hospitals.

Mayor De La Isla welcomed participants of the Kicker Country Stampede to Topeka and encouraged citizens to be "Topeka Proud." She recognized students who participated in the Washburn Leadership Academy. She congratulated the award recipients at the YMCA Women of Excellence on June 18, 2019. She thanked Police Chief Cochran for publicly acknowledging the TPD Twitter message and extending apologies to those it may have negatively affected.

Councilmember Emerson thanked Jason Peek, Public Works Director, for speaking at the Rolling Meadows Neighborhood meeting on June 17, 2019. He congratulated Gary Woodland, native Topekan, for winning the Professional Golf Association (PGA) United States (US) Open.

Councilmember Padilla congratulated the SENT Community Development Company (CDC) for revitalizing the community and providing housing for families. He reported they recently completed a housing project at 449 SE 34th Street and two more projects are currently underway located at 3326 SE Girard Street and 3334 SE Girard Street.

Councilmember Jensen reminded citizens to care for their pets in hot weather.

Councilmember Lesser congratulated Gary Woodland, native Topekan, for winning the PGA US Open.

Councilmember Hiller congratulated Gary Woodland, native Topekan, for winning the PGA US Open. She commended the SENT CDC and the projects they currently have underway in the Hi-Crest Neighborhood.

Spencer Duncan and Clark Trammell appeared to speak under public comment.

NO FURTHER BUSINESS appearing the meeting was adjourned at 8:07 p.m.

(SEAL)

Brenda Younger
City Clerk