2019 Budget Highlights

The 2019 Proposed Budget will be provided to the public by June 15, 2018. The document and full budget calendar can be found on the budget website, www.topeka.org/budget

1. The proposed General Fund budget is a balanced budget with no increase to the mill levy
2. General Fund Revenue Growth – General Fund Revenues are expected to grow 1.2 percent, or $1.1 million
   a. Property and motor vehicle tax is anticipated to grow 4.9%, or $1.25 million, in line with the property tax lid when including exemptions
   b. Zoo revenue increases $165,000 due to an anticipated growth in attendance with two new attractions and a rate increase
   c. Sales tax projections remain flat, while development services license and permits are reduced $250,000 based on projected activity within the City
3. Investment in Pavement Management - The Proposed Budget maintains funding for pavement management in order to meet the Governing Body goal of a pavement condition index (PCI) of 60 by 2027

<table>
<thead>
<tr>
<th>Pavement Management Funding - 2019</th>
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</thead>
<tbody>
<tr>
<td>Funding Source</td>
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<tr>
<td>Citywide 1/2 Cent*</td>
</tr>
<tr>
<td>Federal/State Funds</td>
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<tr>
<td>Countywide Sales Tax</td>
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<tr>
<td>GO Bond</td>
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<tr>
<td>General Fund</td>
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<tr>
<td>Motor Fuel Fund</td>
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<td><strong>Total:</strong></td>
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*Assumes renewal of sales tax, total reduced by $4,024,244 if no renewal

4. Budget Balancing - To address slow revenue growth, the 2019 Proposed Budget includes several program alterations or shifts in funding away from the General Fund. In order to balance the General Fund, departments were asked to reduce two percent of their overall non-personnel program costs. Other General Fund balancing options include:
   a. Using 2018 General Fund balance for CIP capital expenses ($685,000)
   b. Reducing the contribution to the Topeka Performing Arts Center from $150,000 to $100,000
   c. Reducing allocations for demolitions from $400,000 to $300,000.
   d. Shifting partial salaries to other funds ($115,000)
   e. Reducing department non-personnel budget requests by an average of two percent ($215,000)
5. Wages - Wage increases are reflective of approved contracts plus assumptions for ongoing negotiations with all seven unions

6. Healthcare - Healthcare costs are virtually flat with the 2018 Adopted Budget, and assume a five percent increase over the current 2018 rate. 2019 will mark the fourth year with the Wellness Clinic, and the City continues to provide programs and services to help make the workforce healthier collectively and individually.

7. The Proposed Budget reflects an increase six positions citywide, of which four are offset by revenues or consolidation of positions (Utilities, Public Works, and Zoo). Fire and Planning each add one new position to assist in daily operational needs. Emergency Management is moved to the City Manager’s Office from Police.

8. Enterprise Funds – Enterprise funds include Utilities and Parking and are reflective of rate changes approved by the Governing Body as well as forecasted revenue assumptions
   a. Utilities budget reflects minor increases in operating expense while implementing significant process changes, enhanced Supervisory Control and Data Acquisition (SCADA) monitoring and final implementation of an upgraded utility billing system and customer portal.
   b. Parking reflects increases in expenses aligned with the Downtown Parking Study including on-street meter upgrades, garage systems, and other software improvements. Public Works plans to implement rate increases for metered parking consistent with Parking Plan Recommendations.

Please contact Molly Hadfield (368-0991) or Nick Hawkins (368-0919) with media or budget questions.