



MEMORANDUM

Administrative and Financial Services Office

To: Honorable Mayor Larry Wolgast
Members of the Topeka City Council
Doug Gerber, Interim City Manager

From: Nickie Lee, Director of Administrative and Financial Services

Date: October 10, 2017

Subject: Fiscal Effects of Proposed Development Services Agreement

Pursuant to KSA 75-4331, the chief financial officer of the City is required to provide to the governing body an analysis of the fiscal effects on the City of proposed agreements between the City and recognized employee organizations. As part of this analysis, we are required to identify the potential impact on the City's aggregate tax levy and its operating expense limitations.

This bargaining unit, AFSCME—Development Services, is concentrated in two departments, the Utilities Department and the Planning Services Department. Additionally, the bargaining unit is spread across two separate funds, the General Fund and the Water Fund.

The proposed agreement includes an allowance for individuals meeting the appropriate parameters, an overall "Meets Expectations" or better, to receive a \$0.05 longevity pay increase. Additionally, there is a 1.75% increase to the overall pay matrix for 2017 (retroactive to January 1, 2017), and a 2.00% increase to the overall pay matrix for 2018. Note that during the current fiscal year, one Plan Reviewer FTE was added*. The table below illustrates a basic comparison between the existing agreement and the proposed agreement and provides the estimated levy impact if the agreement were to be financed solely with a property tax increase:

2017 and 2018 Wage Agreement Estimates

	2017	2018
Wages	\$ 579,767	\$ 632,546
Benefits	\$ 118,099	\$ 127,331
Total:	\$ 697,866	\$ 759,877
Increase from Prior Year		\$ 62,011
% Increase from Prior Year		8.89%

0.057 Levy Increase Equivalent

**Note 2017 assumes the position filled for the remainder of the year. Increase would be 1.83% without the position.*

I have reviewed the economic terms of the AFSCME-Development Services agreement pending before the City Council and have compared its costs to both the expected costs of the status quo ante agreement in the recommended budget for Fiscal Year 2016. Based upon this review of the agreement, we believe that the FY16 proposed budget has sufficient resources to accommodate the agreement as presented.

Please let me know if there are questions or concerns about this analysis.