



MEMORANDUM

Administrative and Financial Services Office

To: Honorable Mayor Michelle De La Isla
Members of the Topeka City Council
Brent Trout, City Manager

From: Stephen Wade, Acting Director of Administrative and Financial Services

Date: 07 September 2021

Subject: Fiscal Effects of the Proposed Teamsters 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 has members in the Street Department with expenses from one fund, the Special Highway Fund. I have reviewed the economic terms of the Teamsters agreement pending before the City Council and have compared its costs to the 2022 Proposed Budget. Based upon this review of the agreement, I believe that the 2022 Proposed Budget has sufficient resources to accommodate the agreement as presented.

The proposed agreement includes the following:

- Provide for step increases for eligible employees in 2022 and 2023
- There is a 0.5% percent increase to the existing pay matrix for 2022 and a 1% percent increase to the pay matrix in 2023.

The following table (Figure 1) shows the wage and benefits estimations calculated based on the assumptions listed above. The mill levy equivalent is calculated based on the increases in FY22 and FY23

Figure 1

2022-2023 Wage Agreement Estimates			
	2021	2022	2023
Wages	1,638,250	1,674,317	1,718,662
Benefits	491,475	502,295	515,599
Total	\$2,129,724	\$2,176,612	\$2,234,261
<i>Increase from Prior Year</i>		\$46,887	\$57,649
<i>% Increase from Prior Year</i>		2.20%	2.65%
<i>Mill Levy Equivalence</i>		0.038	0.047