



CITY OF
TOPEKA



**FY2026 Proposed Budget
Presentation
July 15th, 2025**

Budget Schedule

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- **July 15th** – General Fund Budget Overview
- **August 12th** – Police/Code, Fire, and Municipal Court
- **August 19th** – Public Works, Utilities, Planning, Non-Departmental, and Finance
- **August 26th** – RNR Hearing, Legal, HR, CM's Office, and IT
- **September 2nd** – Budget Public Hearing
- **September 9th** – Open Discussion Date
- **September 16th** – Possible Adoption of Budget



Revenue by Category Summary for General Fund

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Category	2025 Budget	Projected 2025	2026 Budget	2027 Projected
Property Tax	\$38,251,392	\$39,279,796	\$43,779,757	\$44,515,324
Motor Vehicle Tax	\$3,309,405	\$3,588,045	\$3,657,389	\$3,800,000
Sales Tax	\$40,569,000	\$40,752,607	\$41,710,350	\$42,648,833
PILOTS	\$5,937,664	\$5,930,897	\$6,787,247	\$6,787,247
Licenses & Permits	\$1,781,757	\$2,162,456	\$1,829,164	\$1,979,164
Franchise Fees	\$14,331,161	\$15,794,235	\$16,189,547	\$16,612,949
Liquor Tax	\$1,492,050	\$1,437,639	\$1,469,962	\$1,469,962
Fees For Service	\$4,426,854	\$4,034,243	\$4,568,000	\$4,597,000
Fines	\$1,275,000	\$1,177,427	\$1,190,000	\$1,190,000
Municipal Court	\$537,250	\$497,175	\$478,500	\$478,500
Special Assessments	\$340,000	\$334,281	\$295,000	\$287,500
Investment Interest	\$4,335,000	\$3,550,454	\$2,900,000	\$2,075,000
Miscellaneous*	\$10,984,459	\$516,971	\$8,130,349	\$602,886
Totals	\$127,570,992	\$119,056,226	\$132,985,265	\$127,044,365

Note: The 2025 and 2026 figures reflect a planned spenddown of reserves. The projected \$9.45 million draw in 2025 is not shown in the "2025 Projected" column.



Revenue Sources - Property Taxes & Motor Vehicle Taxes

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- **Property Taxes**

- Assessed Value Given by SNCO
- General Fund Mill Rate = 28.557 out 36.956 Total Mill Rate (Flat Mill Levy)
- Projected Total given 96% Collection Rate = **\$43,580,531**
- Delinquency and Neighborhood Revitalization Rebate

- **Motor Vehicle Taxes**

- Value Given by SNCO
- Total of \$4,733,077
- Prorated based off split of mill levy; General Fund = **\$3,657,389**



Revenue Sources – Sales Tax

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- **2024 General Fund Collections:** \$39,894,882.92
- **Collections through 4 Months (2.25% increase vs. last year)**
 - **2024:** \$12,727,677
 - **2025:** \$13,014,890
- **2026 Budget Revenue:** \$41,710,350
 - **Methodology:** 2024 Collections * (1.0225²)
 - **+/- 1% of Collection Rate** = \$819,840



Revenue Sources – Franchise Fees

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Full Name	2024 Actuals	2025 Budget	2025 Projected	2026 Budget
42301-0 - FRANCHISE ONEOK GAS	\$3,051,977	\$2,850,040	\$3,457,651	\$3,544,092
42302-0 - FRANCHISE EVERGY	\$11,047,168	\$10,324,178	\$11,291,165	\$11,573,445
42303-0 - FRANCHISE - AT&T	\$0	\$25,718	\$0	\$0
42304-0 - FRANCHISE COX CABLE	\$834,342	\$860,000	\$820,945	\$841,470
42305-0 - FRANCHISE MISC TELECOM	\$194,774	\$231,225	\$190,770	\$195,540
42307-0 - FRANCHISE MISC ELECTRIC	\$35,329	\$40,000	\$33,701	\$35,000
Totals	\$15,163,590	\$14,331,161	\$15,794,235	\$16,189,547



Revenue Sources – PILOTs & Fees for Service Items

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- **Administrative Transfer Allocations**

- Utilities Funds: **\$3,456,000** was \$2,758,164 in 2025
- Parking Fund: **\$96,000**; was \$90,852 in 2025
- CID Admin Fees (Varying %) = **\$185,000**

- **PILOTs**

- Utilities Funds: **\$6,306,000** was \$5,496,564 in 2025
- Parking Fund: **\$204,000** was \$136,404 in 2025



Revenue Sources – Liquor Tax from State

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- 10% Gross Receipts Tax on alcoholic drinks sold by clubs, caterers, drinking establishments, public venues, or temporary permit holders. Revenue Distribution: 70% to local governments (cities/counties) 30% to the State (Except cities under 6,000 population)
- Projected Use of City/County Share Given by SNCO (\$2.2M):
 - 1/3 – General Fund: \$734,981
 - 1/3 – Special Park & Recreation Fund (Transfer to SNCO): \$734,981
 - 1/3 – Alcohol & Drug Programs Fund: \$734,981



Administrative Actions to Income Statement

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- **Material Items Increased Revenue**

- 2 Mill Shift from Debt Service to General Fund Operations (\$3M)
- Fee Schedule Adjustments (\$200,000)
- Increase in Administrative Fee & PILOT Fees to Enterprise Funds (\$702,984 & \$877,032)

- **Material Items Reduced Expense Side**

- Not Charging the General Fund Retirement Reserve Charges (\$1.8M)
- Not Charging the General Fund Worker's Comp Charges (\$2.5M)



General Fund Income Statement Summary

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- **Material Expense Enhancements**

- TPD Staffing Study & Lexipol
- 6 Civilian FTEs for Police
- Fire Compressors
- Digi-Ticket

- **Material Expense Reductions**

- No General Fund subsidization of Hotel
- Removed/Reduced 21 FTEs
- Froze 20 FTEs

General Fund Base Budget	\$137,469,206
Enhancement Totals	\$1,305,550
Reduction/Freeze Totals	(\$5,789,491)
Net Expense Total	\$132,985,265
Projected Revenues	\$125,448,001
Net Remaining Gap	\$7,537,264

* 2026 Personnel Budget Assumes 3% COLA for Non-Union Employees



General Fund Expense Information

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Category	2024 Actuals	2025 Budget	Projected 2025	2026 Budget	2027 Projected
General Fund Personnel	\$85,766,002	\$96,791,772	\$97,481,279	\$100,999,790	\$107,046,246
Internal Service Charges	\$8,301,213	\$9,186,335	\$8,964,995	\$10,727,210	\$11,039,359
Property/Vehicle Insurance Charges	\$1,037,657	\$1,090,500	\$1,090,360	\$1,588,055	\$1,746,861
Evergy Streetlight Charges	\$1,827,158	\$1,949,143	\$1,815,012	\$1,885,000	\$1,900,000
SNCO Prisoner Charges	\$1,295,528	\$1,100,000	\$1,406,392	\$1,500,000	\$1,600,000
SNCO Liquor Tax Pass-Through	\$717,749	\$746,025	\$718,820	\$734,996	\$734,981
Other Contractual	\$10,112,544	\$11,065,224	\$10,661,454	\$10,614,431	\$10,925,865
Commodities	\$4,531,750	\$4,225,719	\$3,716,908	\$3,476,650	\$3,678,938
Capital Outlays	\$778,415	\$1,184,166	\$1,201,700	\$1,354,033	\$1,359,616
Other Payments	\$551,071	\$232,100	\$1,339,601	\$105,100	\$105,000
Totals	\$114,919,087	\$127,570,984	\$128,396,521	\$132,985,265	\$140,136,866



Projected General Fund Reserve Information

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Categories	General Fund Reserve	Unassigned Reserve	Totals
End of 2024	\$23,028,432	\$13,934,552	\$36,962,984
Drawdown in 2025	\$0	(\$9,450,000)	(\$9,450,000)
Remaining EOY 2025	\$23,028,432	\$4,484,552	\$27,512,984
FY 2026 15% Min.	\$19,947,790	\$0	\$0
Available for FY2026	\$3,080,642	\$4,484,552	\$7,565,195
<i>Budget Gap</i>			\$7,537,264
Total Remaining Reserves above 15%	\$27,931	\$0	\$27,931



General Fund Summary

1. Proposed Budget Utilizes Reserves to Address 2026 Gap of \$7.5M
2. Other Options
 1. Reduce Expense Bar
 2. Increase Revenue Bar
 3. Combination of the Above



Summary – Other Major Funds

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Other Major Funds	2024 Ending Balance	2025 Ending Balance	2026 Ending Balance
286 – Retirement Reserve	\$5,596,341	\$6,672,149	\$3,068,207
291 – Special Highway Fund	\$2,331,580	\$188,836	\$0
301 – Debt Service	\$18,490,145	\$17,928,726	\$12,926,820
601 – Parking	\$1,057,079	\$878,561	\$467,290
613 – Information Technology	(\$793,456)	(\$396,545)	(\$46,481)
614 – Fleet Fund	\$2,223,037	\$2,103,359	\$2,661,265
615 – Facilities Fund	(\$845,336)	(\$158,519)	\$343,835
621 – Water Utility	\$17,105,007	\$15,721,730	\$14,054,172
623 – Stormwater Utility	\$5,995,850	\$4,575,626	\$4,038,213
625 – Wastewater Utility	\$20,147,185	\$20,744,099	\$19,752,344
640 – Property & Vehicle Insurance	\$799,625	\$162,280	\$331,032
641 – Workers Comp	\$13,366,552	\$14,968,591	\$11,308,791
642 – Group Health Insurance	\$3,650,875	\$44,325	\$1,029,418
643 – Risk Management Reserve	\$450,419	\$450,419	\$0
644 – Unemployment Fund	\$519,484	\$603,737	\$527,737



Other Funds Considerations

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1. **Transfer into Health Insurance Fund: \$2.2M**

1. \$1.75M from the Workers Comp Fund
2. \$450k from the Risk Reserve Fund

2. **Transfer into Special Highway Fund: \$2M**

1. \$2M from Retirement Reserve Fund

3. **Parking**

1. Expenses are outpacing revenues in this fund

4. **IT**

1. Chief Information Security Officer position added
2. Scanning software (\$40K)



Future Policy Considerations

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- 1. FY2026 Proposed Budget is balanced**
- 2. FY2027 General Fund projected deficit is \$13M**
 1. Additional Revenue enhancements and Expense reductions will have to be considered to balance future budgets
- 3. Other Considerations**
 1. Fully recover costs associated with development permit services (approx. \$600k)
 2. Sales Tax Initiative
 3. Additional transfers from other funds





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