



CITY OF TOPEKA

CITY COUNCIL COMMITTEE
MEETING MINUTES

POLICY AND FINANCE COMMITTEE

CITY COUNCIL
City Hall, 215 SE 7th Street, Suite 255
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Date: April 23, 2024

Time: 2:00pm

Location: 1st Floor Conference Room, Cyrus K. Holliday Bldg 620 SE Madison (*a virtual attendance option is available*)

Committee members Present: Marcus Miller, Spencer Duncan, Michelle Hoferer

City Staff Present: Interim City Manager Richard U. Nienstedt, Public Works Director Braxton Copley, Planning Director Rhiannon Friedman, IT Director Randi Stahl, Utilities Director Sylvia Davis, Senior Attorney Mat Muller, Development Services Division Director Richard Faulkner, April Hazen-Shaffer, Josh McAnarney

1) Call to Order

Committee member Duncan called the meeting to order at 2:00pm.

2) Elect 2024 Committee Chair

Committee member Miller nominated Committee member Duncan to serve as the 2024 Chair. Committee member Hoferer seconded. Committee member Duncan accepted the nomination. Motion approved 3-0-0.

3) Unassigned Reserve Fund Projects

[On March 5, 2024 the Governing Body reviewed a recommended list of projects that would utilize \$8,662,000 of the unreserved funds. The item was moved to the March 19, 2024 Governing Body meeting for further discussion and action. Councilmember Neil Dobler had requested the establishment of a fund comprised of excess unassigned General Fund reserves balance. Within his proposal, he suggested each funding request be considered, individually, by the Policy & Finance Committee prior to being separately considered by the Governing Body.

Some of such items are being brought before the Policy & Finance Committee today.]

Hotel Topeka Chiller

Public Works Director Braxton Copley introduced the item. One of the chillers at the Hotel Topeka is needing to be replaced. Director Copley had previously provided the Committee with a proposal but noted at the meeting that the point and purchase retail sales tax within the original proposal. He provided an updated proposal showing the adjusted total of \$217,254.

1 - Policy and Finance Committee

Minutes Taken: April 23, 2024

Minutes Approved: June 11, 2024

As a brief background to the request, Director Copley stated the original chillers were York, and they were put in sometime during the construction of the hotel in 1998. Sometime, subsequent to that, a Trane chiller was put in when one of the two York chillers failed. Shortly thereafter, during the COVID-19 pandemic, there was a change in management and a lack of understanding on the part of the maintenance staff and they broke the chiller. The cost to go in and rehabilitate the chiller is \$217,254. The cost of a new chiller is \$315K. Director Copley stated it would be more cost-effective for the City to have Trane completely rehabilitate the chiller, so that the hotel has a new and functioning chiller that would be under a warranty. Purchasing a new chiller at \$315K would not be as advantageous.

Director Copley noted that, in a large commercial building such as a hotel, two chillers are needed. The reasoning behind having the redundant chiller would be to adequately heat and cool the building during the extremely hot or cold days that are experienced in Kansas. It would also allow for one system to continue to run in the event that the other needed to be shut down for servicing. Currently, the hotel has been running on one chiller (York) for the past three years. This 30-year old chiller is beyond its useful life and is not sufficient to adequately heat and cool the large Atrium space, while also heating/cooling all of the rooms and conference rooms.

Director Copley stated that, if the City still owns the Hotel Topeka through the summer, he will be returning to the Committee with a request of \$315,500 to replace the 30-year old York chiller. Having two functioning chillers is almost a necessity.

Committee member Hoferer inquired about the warranty of the rehabilitated chiller. Director Copley did not have the answer at present but would provide it at a later time.

Committee member Hoferer inquired as to if the rehabilitated chiller would be able to adequately heat/cool the building, should the other chiller go down? Director Copley stated that it might be able to provide adequate temperature control on fair weather days, however it would not be able to keep up on hot and humid days. Director Copley stated that the manager has stated he receives numerous complaints currently of the rooms not having adequate temperature control.

Committee member Hoferer inquired if Director Copley thought the York chiller was at risk of going down? Director Copley confirmed that he felt that was a good possibility, as it is beyond its useful life. He is optimistically hopeful that it might be able to get through this summer season. He does not want to request the additional \$315K, if the City is able to find someone to purchase the hotel. His

preference would be to circle back to this request in October 2024, if the City still owns the hotel, to discuss next steps.

Committee member Hoferer inquired if both chillers were included in the \$2M that was approved a few months ago? Director Copley confirmed that they were. A property condition assessment was completed by Schwerdt Design Group, and they came up with \$1.1M of immediate Capital needs that needed to be done within 12 months. Both chillers fall within that, as does the electrical work and some other site work.

Committee member Miller referenced the recommendation to complete a chiller overhaul by Trane every 8-10 years, depending on the severity of service or severity of use. He inquired what the funding request might look like for each of those years. Director Copley stated that the full refurbishing that is currently needed will be the most expensive. However, the maintenance on a fixed schedule would cost significantly less.

Chairman Duncan inquired if there would be a value discount savings if both chillers were replaced at the same time? Director Copley stated staff had not considered that option, as they were pleased to hear that Trane firmly believes they can rehabilitate the current chiller to get it functioning.

Committee member Hoferer inquired about lead time. Director Copley did not feel there would be a long lead time, as the industry has been able to catch back up since COVID-19. However, until the funding has been approved, he will not have a timeline to provide.

Chairman Duncan reminded the public that the Unassigned Reserve Fund is a brand-new fund that came from the overages from this past year, and this combined with the reserves that have been added into are where the funding for these projects is coming from. It is not coming from the General Fund.

MOTION: Chairman Duncan made a motion to recommend approval of the request to the Governing Body. The request is for approval by the full Governing Body to allocate \$217,254 from the Unassigned Reserve Fund to go to the Topeka Development Corporation to rehabilitate the Trane chiller. Committee member Miller seconded. Motion approved 3-0-0.

Following the vote, Director Copley stated he would ask the Interim City Manager to contact Trane to obtain a best estimate on how long the rehabilitation may take, assuming the Governing Body passes on May 7th.

LMI Property Maintenance Rehab Program Funding

Planning & Development Services Director Rhiannon Friedman presented information about the LMI Property Maintenance Rehab Fund program. She reminded that staff had introduced this item to the Governing Body at their March 5, 2024 meeting. Staff is seeking \$200K to help supplement the funding that the City's Housing Services Division receives from the Federal Home Loan Bank grant. The program is a three-year grant for \$750K. She noted that the partnership was great, but realized after speaking to the Property Maintenance Division, that many of the citations are for households that do not have the funds to fix the issues. There are some specifications to the Federal Home Loan Bank grant, one being that the individual has to reside within a designated area within the city. Having the additional funding would allow for more flexibility to help those who need the assistance for making the home repairs.

Director Friedman provided some history as to how the request came to be. The Changing Our Culture of Property Maintenance initiative that was developed by the Public Health & Safety Committee had initially made the request to staff to research potential funds out of the City's Surplus. She then presented this information to the Public Health & Safety Committee at their April 15, 2024 meeting and they shared their support.

Chairman Duncan noted that he was also a member of the Public Health & Safety Committee and was in support of the funding.

Committee member Miller inquired as to the number of households that could be assisted by the \$200K? Director Friedman responded that, on average, the City is spending about \$20K per individual household to bring their violations up to code. Things such as siding, windows, roof repair, screening, even fences are included in those costs. She noted there was always a wait list for people who do not fall into the designated area by the grant fund. The additional Surplus will allow the City to be more flexible with assisting individuals.

Committee member Miller inquired as to the number of applicants that are on the waitlist. Director Friedman stated there were 17.

Committee member Miller inquired if Director Friedman felt optimistic about being awarded the same grant again in 2025? Director Friedman stated the Federal Home Loan Bank had been a good funding partner, and expressed optimism that the funding would continue.

MOTION: Committee member Hoferer made a motion to approve. Committee member Miller seconded. Motion approved 3-0-0.

IT Network Switches

Information & Technologies (IT) Director Randi Stahl provided a presentation to the Committee explaining what the IT Network Switches were, along with the request of \$790K from the Unassigned Reserve Fund to replace 120 switches in a two-phased project, extending over two years. Director Stahl noted that, following this project, the plan would be to add the replacement of network switches into the CIP, so that there can be a rotating replacement schedule.

Presentation Highlights:

- Network Switches - connects communication data and “packets” across networks, between components in the computer network, between City data centers and facilities, and across to the Internet. Switches are a critical IT infrastructure component that allows electronic communication and information.
- The goal would be to upgrade all network switches across the computing enterprise of the City.
- This entails a replacement of 120 switches in a two-phased project extending across two years.
- The project cost will be \$790K, across two years (\$350K in the first year and \$440K in the second year).
- Project Description: There are nearly 120 switches in 75+ distinct physical locations. All of which require replacement due to age. The project implementation across two years:
 - Year 1 - Replace switches on the exterior ring around the City. Many physical locations, more straight-forward technology.
 - Year 2 - Replace switches in the City’s three-pronged technology infrastructure core. Fewer physical locations, more complicated technology.
- Current state: Switches have been in place since 2014 and 2015. They are 9-10 years old, with an average of 83,200 hours of continuous operation. The expected switch life is 5 years or 43,800 operating hours. These have exceeded 190% of their expected life. Switch failures due to current age are looming.
- Impact of switch failures, if the project is not executed:
 - Switches failure yields halted electronic communication
 - No network services across the City enterprise.
 - No data in, no data out.
 - No data between people, departments, or internet.
 - The end result will be a loss of business operations across the City.
- Director Stahl stated staff is trying to get these on a rotation, within the CIP, once these are upgraded, and they would be on a scheduled, more routine, basis so the City is not replacing all of the switches at once.

Questions/Comments:

- Committee member Miller inquires about replacing some switches sooner on a replacement cycle, and what would happen with the fairly new switches?

Director Stahl stated they would be held onto and used as backups for failures. They would be replaced by about a third at a time over ten years.

- Committee member Hoferer inquired if there would be a problem, budget wise, with ensuring the funding would be dedicated to this project as it will go over two budget cycles? Chairman Duncan answered that, since this was coming from the unassigned funds, time restrictions have been lifted.
- Interim City Manager Nienstedt inquired if there was any funding allocated in the 2024 operating budget? Director Stahl stated there was no funding allocated for the switches in the 2024 budget.
- Interim City Manager Nienstedt inquired if in-house staff would be able to complete this process or would a third-party vendor be required to assist? Director Stahl stated City staff would complete the physical replacements, but may need some assistance for configuration. That cost should be included in the comprehensive package.
- Interim City Manager Nienstedt inquired as to how much money should be allocated in the annual budgets to complete the updates every 5-7 years? Director Stahl envisioned splitting the transition into thirds. Looking at a ten-year cycle, there would be a third of the switches changed out in three years from now, another third in six years and another third in nine years.
- Interim City Manager Nienstedt inquired if there might be any grants available possibly through Homeland Security? Director Stahl did not think this project would fit the Homeland Security grant requirements, as that grant does not replace normal operational activities. She noted that the City is applying for the available grant for another purpose.
- Committee member Hoferer inquired about the timeframe. Director Stahl stated there are about 1/3 of the switches needed available this year, with 2/3 that would be available for next year's phase. There is no anticipation of wait time.
- Committee member Hoferer inquired about ordering what we need ahead of time, if there is an anticipation that the cost will increase over time? Director Stahl stated additional switches could be pre-purchased, however they would take up physical space and there is a concern about the lack of storage space. She was open to inquiring about a volume discount, and if there would be considerable savings to the City, physical storage space may be able to be identified.

MOTION: Committee member Miller made a motion to approve to move to the Governing Body the Resolution requesting the use of \$790,000 from the Unassigned Reserve Fund for the replacement of the IT infrastructure of computer network switches. Committee member Hoferer seconded. Motion approved 3-0-0.

4) Update - ARPA Grant

Chairman Duncan provided some background on the City's ARPA Grant funding that was allocated to go toward social service organizations. He felt it was important to review the information, as most of the staff who were involved in assigning the dollars are no longer with the City, nor were the other Committee members. Background: The City was awarded \$40+M in ARPA Grant monies and the Governing Body, at that time, decided to allocate \$10M of those funds to community organizations. The rest of the award was put toward City infrastructure projects. There were over 83 original community applicants with requests reaching over \$34M. Through the application process, the Committee was able to award about 40 organizations money that totaled right at that allotted \$10M.

Chairman Duncan sought clarification as to the deadline for when the dollars needed to be spent. The deadline to have all funding dollars committed is the end of 2024. The money does not have to have been spent by that time. He used an example of a new building. The building itself does not have to be complete by the end of the year, however there would need to be a contract or something tangible showing that the funding is in the process of being spent. There are some awardees who have not been able to produce reports or show that they will be able to meet this criterion by the end of the year. Rather than lose the funding back to the Federal Government, Chairman Duncan stated decisions would need to be made for reallocating those dollars to other agencies to be used.

Chairman Duncan made a request for staff to recreate table to show what the original grant request and allocations were, so when seeing a "\$0", it can be understood what the allotment was to begin with.

Committee member Miller inquired about the funding shown on the table, and staff responded.

Chairman Duncan inquired about the two groups that had not submitted reports on time. Staff had documented when written, email and phone call attempts had been made to reach those agencies. Chairman Duncan requested a letter be drafted that he would sign, as the Chair of the Committee, to drive home the seriousness of the request. The contract that each recipient had signed required quarterly reports be submitted, noting that if they were not submitted on time, there was a chance that the funding would be taken away.

The Committee reviewed a few of the specific projects.

Committee member Hoferer inquired if it would be possible to find out what the agencies with remaining funds had stated in their applications as projects that they were using the funds for. Committee member Miller agreed, but wanted to see that information for all of the applicants.

Chairman Duncan asked staff to send the reports that are received after April 30th to the Committee, so they could begin reviewing what they would have time to review the information and bring suggestions to the table at the next meeting.

No action taken for this item.

5) Trade Board Residency Requirement

Development Services Division Director Richard Faulkner presented information on the Municipal Code, section 5.63.120 Boards. Presently, applicants to City Trade Boards are required to reside within the city limits of Topeka. This has put limitations on professionals who work in Topeka, and some recent applicants own businesses in Topeka, but live outside of the city limits. At present time, there are three (3) City Trade Boards and all of the boards are short members. This begins to cause a problem when it comes to being able to have a quorum to hold a meeting and conduct business.

Presentation Highlights:

- Current board vacancies include: 2 on the Board of Plumbing Appeals, 2 on the Board of Mechanical Examiners Appeals, and 1 on the Board of Electrical Appeals.
- Contractors in these fields are contacted to help recruit candidates for the boards.
- There have been enough qualified candidates that were needed, however they do not reside inside of the city-limits.
- The Board of Building Fire and Appeals (BBFA) was faced with the same situation.
- Staff sent emails to licensed contractors to seek input on interest of modifying the code to include people who live in the county and either own a business or work in Topeka. - The feedback received was positive and in favor of this change.
- Staff discussed the proposal with the trade boards and the BBFA. - They were also in favor of the change.
- The BBFA was able to get the requirement modified to allow people who live in the county and either own a business or work in Topeka to join their board. They had also experienced this issue previously.
- Staff supports the recommendation, as does all of the trade boards and the BBFA and is seeking approval by the Governing Body to amend it.

- The trade boards are an important part of the development of our community, and having these boards full is important to collect input and feedback.

Questions/Comments:

- Committee member Hoferer voiced support for approving this. She provided testimony from a professional standpoint on the matter to support what Division Director Faulkner presented on.
- Chairman Duncan noted the BBFA change was made about two years ago and echoed the same concerns that they had faced prior to the change, and felt that people who worked or owned businesses inside of the city limits still provided an investment into Topeka. He noted that the change has since been positive and he would also support doing this for the Trade Boards.
- Committee member Miller touched on the same sentiments made by the other Committee members.
- Interim City Manager Nienstedt anecdotally pointed out that this model being considered is not unusual, and that there are other communities that have faced the same issue. He stated that whether or not the tradespeople live in the city they work in, they share the same goal to try and ensure that the trade is regulated correctly and fairly.

MOTION: Committee member Hoferer made a motion to approve the request to amend the TMC 5.65.120. Committee member Miller seconded. Motion approved 3-0-0.

6) Uniform Plumbing Code: Backflow Prevention Devices

Development Services Division Director Richard Faulkner provided background regarding the current backflow device requirement. A concern stems from placing the backflow device into a pit, and how it will affect the water quality for the community.

A backflow device stops contaminated water, or other contaminants, from getting into the water system. When a backflow device is placed in a pit, it is possible for rain water, or other water, to seep into that pit. The device has some ports on the bottom of it and the contaminated water can get into the backflow device and get in to the water system.

About five (5) years ago, the inspections of backflow devices were given to Development Services to take over. They had previously been done by the Utilities Department, since it is a water quality issue. Division Director Faulkner was able to go back to the 2009 version of the Uniform Plumbing Code with a requirement to install above-ground backflow devices for any new or replacement systems.

Committee member Miller asked for additional information and the system not being in a pit. Division Director Faulkner explained that the backflow device is

basically a flap that lets water flow one-way. At the bottom, there are holes to let air in and out. When it is in the ground, below the surface, water can run into that pit and get into those holes. The holes are behind the flap, so the water can go back into the system. It does not need to be elevated, rather just above the ground. There is no requirement for a certain number of inches above the ground.

Chairman Duncan inquired if this requirement was for both residential and commercial systems? Division Director Faulkner confirmed that it was.

Some of the most common concerns from citizens stem around theft of the above ground devices that can be sold for scrap metal and cost around \$60/each to replace. Chairman Duncan suggested one way to help curb this problem could be to add it to the Scrap Metal Code [Topeka Municipal Code, Title 5, Chapter 5.125.040: Requirements for Individual Transactions <https://topeka.municipal.codes/TMC/5.125.040>].

Division Director Faulkner reminded that old systems that are still in working order have been “grandfathered” in, and will only be required to meet the current standard if they have to be replaced, or if a new system is put in.

No action is needed for this item.

7) Other Items

No additional items.

8) Adjourn

Chairman Duncan adjourned the meeting at 3:15pm.

The video of this meeting can be viewed at: <https://youtu.be/Rf42EEenupo?si=bGtOH05lUtvBrbZ>