



CITY OF TOPEKA

CITY COUNCIL COMMITTEE
MEETING MINUTES

POLICY AND FINANCE COMMITTEE

CITY COUNCIL
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Date: November 16, 2021

Time: 11:00 a.m.

Location: 1st Floor Conference Room; Holliday Bldg 620 SE Madison (*virtual option also available*)

Committee members Present: Spencer Duncan (Chair), Sylvia Ortiz, Tony Emerson

City Staff Present: City Manager Brent Trout, Chief of Staff Bill Cochran, Planning Director Bill Fiander, Development Services Director Richard Faulkner, Finance Director Stephen Wade, Josh McAnarney (Finance), Adam Vaughn (Finance), Utilities Director Braxton Copley, Fran Hug (Development Services), Fire Inspector Todd Harrison, Dylan Smith (TFD)

1) Call to Order

Chairman Duncan called the meeting to order at 11:02am. Committee members introduced themselves. Councilwoman Sylvia Ortiz served as proxy for Councilwoman Naeger at this meeting.

2) Approve Minutes from July 2, 2021 Meeting

Chairman Duncan made a motion to approve the minutes. Committee member seconded Emerson the motion. Councilwoman Ortiz was not present at the July meeting and abstained from voting. Minutes approved 2:0:1.

3) 2021 International Energy Conservation Code

[Items pertaining to this section can be found as Supplemental Material on the Policy & Finance Committee's webpage: <https://www.topeka.org/citycouncil/policy-finance-committee>]

Richard Faulkner, Division Director of Development Services, introduced changes that will be made to the 2021 International Energy Conservation Code (IECC). These codes are used for residential builds.

Highlights:

1 - Policy and Finance Committee

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- The 2009 International Energy Conservation Code is currently being used for residential only builds. The update is in progress to bring this to 2021 standards.
- The Board of Building and Fire Appeals (BBFA) subcommittee led the review process. The subcommittee's review and recommendation included:
 - Adoption of requirements regarding the building envelope, only, for commercial structures.
 - Retain use of 2009 IECC for one and two family structures; do not include residential with 2021 IECC, as a change would increase costs for residential construction.
- Notable changes that are not recommended for adoption for commercial use:
 - Requiring skylights in areas that are 2,500 sq. ft. or more and are directly under the roof.
 - Requiring doors greater than 40 sq. ft. have heating and cooling systems interlocked with the doors, so that when the door is opened and closed the area will be heated/cooled to whatever the set point is for that area.

Questions/Comments:

- Why did they want to retain the 2009 code for 1-2 family structures?
 The cost of the re-payback was not reasonable. The 2021 requirements include a higher amount of insulation, in order to receive money back, it would have to be 19 years or 16 years. The cost/payback ratio was not reasonable. The industry felt it would cost more to build to these standards. Square footage would also be lost on the build to adhere to these requirements.
- Is it only the new building envelope that they do not want to adopt the code for?
 No, the building envelope is the only item we can control to provide energy conservation. We cannot control the mechanical or lighting systems that are interior. However once the house is built, we can control the exterior envelope.
- If 2021 was kind of an issue, was there any thought to move to the 2015 or 2018 versions?
 Planning Director Bill Fiander stated there had been an initial recommendation to adopt the 2015 code, however the Governing Body preferred to jump ahead to the 2021 standards. The issues of the 2015 remained as the committee moved to the 2021 version. Chairman Duncan thanked Staff and the subcommittee for their work to get to the 2021 IECC standards. He would like to revisit some of the outstanding issues (noted above) perhaps in the next year, to see what could be done to bring those standards up as well.

- Committee member Emerson noted he would like to invite local builders to attend a Policy & Finance Committee meeting to speak to their thoughts on these changes, and their concerns for moving forward with the 2021 standards. Chairman Duncan stated he would request the incoming Deputy Mayor attend a future meeting and would like to hear from builders at this committee level.

4) 2021 International Existing Building Code

[This presentation will be available to view on the Committee's webpage.]

Division Director Faulkner provided information regarding the changes recommended for approval to change for the 2021 International Existing Building Code (IEBC). This is for reviewing plans for redevelopment.

Highlights:

- To address code challenges that developers face when re-purposing existing commercial buildings, we have been using the 1997 Uniform Code for Building Conservation (UCBC).
- During the process of adopting the 2015 IEBC, to replace the 1997 UCBC, the Governing Body desired to instead adopt the most recent 2021 IEBC.
- The 2021 IEBC is published by the International Code Council (ICC).
- The code is intended to encourage the use and reuse of existing commercial buildings by:
 - Protecting public health and safety
 - Not increasing construction costs
 - Accepting new construction materials and methods
- The City also uses the 2015 Life Safety Code (LSC) when existing commercial buildings are redeveloped.
- The review process:
 - Board of Building and Fire Appeals (BBFA) led the process. The BBFA is appointed by City Council.
 - Members of City staff served as liaisons to the board including the Building Official, Fire Marshal, Plan Review Supervisor, and City Attorney. Toby Taggart, Professional Engineer also participated.
 - The International Code Council (ICC) provided training to the board and staff to clarify changes in the code from 2015 to 2021 versions.
- Of the neighboring cities, Topeka would be the only municipality using the 2021 version. Most of the others are utilizing the 2018 version. The cities of Shawnee and Overland Park do not use the Existing Building Code. They use the Uniform Building Code for Existing Structures.

- Notable amendments:
 - The Board recommends to not adopt requirements for seismic reinforcement in the IEBC. If buildings are attached, having one reinforced and one without is not effective.
 - The Board recommends to not adopt floodplain regulations in the IEBC. The City has adopted floodplain regulations so that we may participate in the FEMA Flood Insurance Program.
 - Board comments: "...In a very simplistic view, our primary objective is to design buildings/space that meet the client's needs while accounting for life safety. Specifically related to the IEBC, this code will provide a better tool for the City to enforce life safety on existing buildings/" - Casandra Taylor BBFA member.

Questions/Comments:

- Committee member Emerson thanked Division Director Faulkner for the information and was proud that Topeka will be ahead of many peers with these updated versions of codes.
- Chairman Duncan voiced similar sentiments and noted that some of the changes will put the City ahead of the curve.

MOTION: Committee member Emerson made a motion of recommendation for approval the 2021 International Energy Conservation Code, as amended, to the Governing Body. Committee member Ortiz seconded. Motion approved 3:0.

MOTION: Committee member Emerson made a motion of recommendation for approval of the 2021 International Existing Building Code, as amended, to the Governing Body. Committee member Ortiz seconded the motion. Motion approved 3:0.

5) Financial Budget 2023

[This presentation can be found on the Committee's webpage]

Finance Director Stephen Wade presented a proposal to change the budgeting process that is used for both the Operational Budget and CIP Budget. Comments were made by Governing Body members during the 2022 Budgeting process, and this new process is Staff's response to those comments.

Highlights:

- Outcome Based Budgeting is a budgeting process that shifts focus to Citywide Outcomes (or priorities) and the services that departments provide.
- Departmental line item information is replaced/supplemented with performance data that gives information on how City programs are doing.

4 - Policy and Finance Committee

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- With traditional budgeting, there is a review of the prior year's spending and a percentage is provided and decisions are made on where to cut. With Outcome Budgeting, the focus shifts to looking forward to the next year's goals and deciding on what to keep. The Outcomes based model will allow for looking at outcomes, to make it easier to get the information that the Governing Body is looking for.
- There are five areas that the Governing Body has created and adopted earlier this year as strategic initiatives:
 - Investing in infrastructure
 - Continuing a commitment to developing neighborhoods
 - Continuing a commitment to public safety
 - Selected strategic investments toward quality of life
 - Improving fiscal sustainability
- The way this new process would work, would include assembling a Community Board. This board would be roughly 25 people and composed of community members, council members, and City staff. The board would review each of the five priority areas, and would then:
 - Seek community feedback on each priority and identify the outcomes citizens want to see.
 - Develop indicators to track progress.
 - Receive departmental proposals that align with the desired outcomes. These proposals would be similar to grant proposals, in that they would be evaluated and scored. This would allow for logic to be put behind the proposals being put before the Governing Body. Director Wade showed an example of what the CIP scorecard would look like. Various areas would be scored from 1-10.
 - Progress toward each outcome is measured and each budget cycle program success is evaluated.
- Changing the budgeting method is being done by some other cities, however would be cutting edge.
- Bottom line answers to the following questions:
 - What are our outcomes?
 - Are we achieving the results that we want?
 - What services do we provide?
 - How much does it cost to offer our services?
 - Why are we offering specific services?

- Timeline: Staff would like to present this model to the Governing Body in February, along with a presentation from the University of Kansas, which would talk about how this would roll out within the community. There is an individual from Baltimore that has experience with this method, and would provide some expertise to Staff. Staff is not proposing to model Baltimore, but rather to look at communities closer to our size to put together better qualitative and quantitative numbers to provide to the Governing Body in time for the CIP considerations.

Questions/Comments:

- Would this model be for the CIP?

It would be, however a similar process would be used for the Operational Budget as well. With CIP coming soon, we wanted to bring this to the Committee and are seeking approval to move forward with this model. Ideally, Staff would like to begin receiving community input by February 2022.

- Is there any formal approval from the Governing Body that will be needed to change to this method?

City Manager Trout responded that the Governing Body would not have to formally approve this change. The City budget is submitted on the State budget forms. The method and methodology of the budget is ours to decide. If we feel this creates the best opportunity for us to understand what we are targeting our money toward, we can use it. Director Wade noted that Staff wanted to put this example in front of the Committee for approval as there is a significant amount of work that would need to be done in order to meet the February timeline. Chairman Duncan felt this model provided a better look at what is really going on within the budget process and is supportive of giving this a try.

- When you enter the numbers for the scoring, will those be actual numbers or suggested?

The scoring would be a similar process to what the Social Service Grants process is. The scores are subjective. There would be a committee of about five individuals who would be tasked of looking at each item objectively. The scores could be debated, however the hope is that they would be factual enough that there would be a basis to them.

- Committee member Ortiz voiced appreciation for the public input that will be planned for this process. She would like to see new people step up to be part of that process, as there seems to be a tendency to see the same people serve over and over. Director Wade noted that one observation would be to have representation from each of the council districts, as well as from the NIA's, staff, council members, and possibly some of the committee members to provide as much representation across the full city as possible.

6) Other Items

There will be a committee meeting after Thanksgiving. City Manager Trout noted that Staff will be meeting with Whitney Damron, Lobbyist for the City, to compose a list. Chairman Duncan would also like to have the Governing Body Rules item brought back to the Committee.

7) Adjourn

Chairman Duncan adjourned the meeting at 11:40am.

The video of this meeting can be viewed at: <https://youtu.be/ICwQjIoUDms>

