



CITY OF TOPEKA

CITY COUNCIL COMMITTEE
MEETING MINUTES

PUBLIC INFRASTRUCTURE COMMITTEE

CITY COUNCIL
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Date: May 16, 2023

Time: 11:00am

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

Committee members Present: Tony Emerson (Chair), Neil Dobler, Michelle Hoferer

City Staff Present: City Manager Stephen Wade, Deputy City Attorney Mary Feighny, Public Works Director Braxton Copley, CFO Freddy Mawyin, DEI Director Ernestor De La Rosa, Jason Tryon, Tony Trower, Todd Workman, Jehan Zeb, David Blevins, Mark Schreiner, Robert Bidwell, Hannah Uhlig, Josh McAnarney, Andy Rosebrook, Kris Wagers

1) Call to Order

Chairman Emerson called the meeting to order at 11:00am. Committee members introduced themselves.

2) Review and Approval of March 30, 2023 Minutes

Committee member Dobler made a motion to approve the minutes. Committee member Hoferer seconded. Minutes approved 3-0-0.

3) Pavement Condition Index (PCI) Update

Public Works Director Copley noted the PCI is a tool that is used to document and select streets for treatment, as well as for selecting the appropriate treatment measure. Full depth reconstruction per lane mile costs roughly \$1.5M. Mill and Overlay costs roughly \$250K per lane mile. Microsurfacing and crack sealing is roughly 50K. If a street is at a PCI of 70 or better, it is a good candidate for crack sealing and microsurfacing. A street with a PCI within the 50-60 range, it is a good candidate for a Mill and Overlay. When the PCI reaches 40 or below, it really needs to receive a full-depth reconstruction.

The last real look at the PCI index was completed in 2019. In 2022, staff was able to refresh that index and has begun to put the information onto the website.

To quantify, PCI range from 86-100 is considered “very good”, from 71-85 is “good”, from 56-70 is “fair”, from 41-55 is “poor” and anything under 40 is “very

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poor”. The overall network comparison from 2019 to 2022 rose from a 61.8 average to a 67.7. The City was able to increase the inventory of “good” streets by 14%, and were able to reduce the “poor” streets by 13%.

Alley conditions also improved slightly from 56.25 to 60.51. The alley program has been kept at about \$500K range, which allows for addressing about three alleys annually. Cost per alley is around \$175K, provided there is no additional utility work necessary. Measures show an increase of “very good” alleys by 16% and reducing the “very poor” alleys by 4%.

Chairman Emerson inquired if this was reviewing the paved alleys, and do not include the gravel alleys? Director Copley confirmed, and stated it was policy to not add to the paved alley inventory. If an already established paved alley needed work done, there is possibility for replacement. There are nearly 100 paved alleys that have a PCI of 2. Staff has then taken into consideration a number of factors including whether businesses are served by that, whether people are parking off of it, underground utilities, etc. Two is the lowest rating, with no alleys at a 1 rating. As such, it is difficult to prioritize which to reconstruct when there is only funding to address 3-4 alleys per year. Gravel alleys are addressed by the street maintenance division which grades and adds additional surfacing, whether it is aggregate or millings.

No action sought by this item.

4) Improvement of Auburn Road & Intersection of SW Auburn/29th Street

Public Works Director Braxton Copley provided the Committee with a memo. When the annexation for the new Washburn Rural Middle School came up, staff felt it would be the time to annex to the right-of-way line on the north side of 29th Street and the east side of Auburn Road. Shawnee County is responsible for all of the maintenance along 29th Street in Auburn. The legal description of the annexation was written to the center line of those roads, and is the section line. The City is now the owner of the south side of 29th street and west side of Auburn. The County is in the process of designing the major improvements from K-4 highway to 29th Street on Auburn Road. It would be an urban three-lane profile with a 10-foot wide sidewalk on one side and a 5-foot wide sidewalk on the other side, curb & gutter and improvement to a roundabout at the intersection of 29th and Auburn. The estimated project cost, including the roundabout at the entrance to the middle school, is \$6.5M. Shawnee County proposed a request from the City of Topeka of \$1M. Director Copley stated he felt this request is more than fair. Director Copley is exploring the option of being able to utilize the Citywide half-cent sales tax to pay for the portion of the \$1M cost of this improvement. In discussions with City Legal, answers need to be found for determining the estimated cost of the replacement of the existing pavement that is there, on the City’s half of Auburn Road from K-4 to 29th Street. The County is working with

their consultant to come up with a cost estimate for that. If it is determined that the cost of replacement is \$1M, Citywide half-cent sales tax funds will be able to be used, without the additional use of GO Bonds or other funding source.

Committee member Dobler inquired about the process to de-annex the street? City Manager Stephen Wade stated this would be something the legal team could look into, and that there is a way to proceed with this, however it was unknown at this moment.

Committee member Dobler inquired if the County, in anticipation of moving forward with the project on Auburn Road, had already identified funding for that project, prior to the annexation by the City? Director Copley stated he knew the County had applied for a Kansas Department of Transportation (KDOT) grant, and that the project is planned to be done in early 2025. However, he felt it would be a good question to ask the County's Public Works Director about the project's funding source and where it fits into their priorities.

Committee member Dobler inquired as to if it is going to make sense for the City to own a road, if we are not able to do anything with the land on the other side? If ultimately all of the other land will be owned by the County on the other side, he felt it would be appropriate for the County to also own the road. He requested staff to clarify if the land to the west would have an opportunity for development.

This item was for information only. No action sought at this time.

5) FIRM Memo - Municipal Court HVAC Update

Deputy Director Jason Tryon informed that there had recently been some air conditioning system failures at City Hall in the Municipal Court area. Staff had previously requested funding for a large-scale project to upgrade the HVAC at City Hall and TPAC, which would include Municipal Court. Six of the systems were approved, with four not receiving approval. Two of the systems in the Municipal Court were part of the four which were not approved. Staff has taken steps to address the immediate needs to keep the room comfortable for the short-term, however it is not sustainable for a long-term. Staff is requesting to bring forward an amendment to the 2024 CIP, to add those systems to the HVAC project in conjunction with the other HVAC work within the building.

Committee member Dobler inquired about the age of the units? Deputy Director Tryon noted the three condensing units were replaced between 2006 and 2011, however some of the fan coil units date back to the 1970's and are working off of refrigerant. The recommendation would be to bring them into using a chilled water system so that they could be tied into the overall building HVAC system.

Chairman Emerson referenced the original request from earlier in the year and inquired about the roughly \$70K price difference between that request amount and the amount requested currently? Division Director Tryon explained that two options for this replacement were provided. One is for the roof-mounted unit and the other is for the unit mounted inside of the building. The initial thought was that the roof-mounted unit, which is about \$70K less expensive, would be sufficient. However, a ruling from the State Historical Preservation organization states that if a unit is visible from the ground, it is not what they would deem to be appropriate, given the historical status of the building. As such, staff is recommending an internal unit, which would be housed within the building and not sitting on top of the roof.

Chairman Emerson inquired if there was a tax credit associated with the project? Division Director Tryon stated the tax credits would be at stake. In this particular situation, the roof above the Municipal Court area is visible from the ground and would be visible from the ground level if someone was looking at TPAC. There are other areas of the building where roof-mounted units have been acceptable because they were able to be placed far enough back from the roof line that they are not visible from the ground.

Chairman Emerson inquired as to how much the tax credit loss would be? Division Director Tryon stated that there is a legal process to apply for tax credits up to a certain percentage of the work done. This is a \$19M project, so jeopardizing those tax credits could be in the area of millions of dollars in tax credits lost. Director of Innovation & Special Projects Hannah Uhrig clarified that City Hall and TPAC were initially submitted as a historic building. Since that time, work has been accumulating, such as the stairs and other renovations to the City Hall side, and would be included in the tax credit proposal. Based on the current market, the City would be able to apply for and possibly receive up to \$5M on the holistic project for sellable tax credits.

Committee member Hoferer inquired about the tax credits. City Manager Wade provided a brief overview stating that, similar to municipal bonds, the City would be able to sell those back out. This offers some tax incentives for those that acquire them. This amount depends on the market, but it could be as much as \$5M. He indicated that Deputy Financial Director Rachele Mathews would be the best person to answer this question in more detail.

City Manager Wade stated the next steps would be, if the Committee agreed, this would be added to the 2024 CIP and it would be brought up as an amendment to what the Governing Body has already been presented with. With an assumption that the Governing Body approves the entire CIP package, staff would move forward with getting items ordered. Time is of concern given the extended lead time on the units.

The recommendation was unanimously made by the Committee to add this project to the 2024 CIP and to present it to the Governing Body.

6) JEDO Project Approval Process

Director Copley provided information about the process of paying for and approving of projects related to the Joint Economic Development Organization (JEDO) partnership. In 2016, the City amassed a number of projects that were eligible for the JEDO funding, which would utilize the countywide half-cent sales tax. In 2016, project cost estimates were put together. As part of this CIP process, staff has gone through and scrutinized all of the cost estimates for such projects. They realized that some projects had been passed year after year at the exact same cost that was originally estimated in 2015-2016 for the attachment to the interlocal agreement.

Director Copley stated that the 17th Street project was one such project where costs were updated from the 2016 figures. Upon a request made by Deputy Mayor Dobler at the last Governing Body meeting, staff has put together a list of the projects that we have as well as the cost estimates and projection of revenues, in terms of where the City would come out.

Based on the JEDO Sales Tax Projection sheet, and the lower bound of funding, the City would be about \$30M short of what the City could fund. Even on the average cost estimates, the City is about \$13M below what could be funded. It would only be possible for these projects to be completed if a very generous receipt from the countywide half-cent sales tax per the interlocal agreement.

Policy to the interlocal agreement does give JEDO the ability to make changes to the schedule, depending on what the revenue stream is, and other factors. Director Copley provided a couple of options. One is to hope for the best, in terms of revenue stream, and hope that there is not another unprecedented 25% increase in project costs over the next two years, like what was seen over this past two years. The second option would be to identify project(s) to be eliminated from construction. The third option would be to have JEDO review and change the scope of projects to reduce the project costs. An example of this option could be seen with the Huntoon project, from Gage to Harrison. If the project only included a mill & overlay; and did not include panel replacement, full-depth repairs, curb & gutter, storm sewer issues, etc., that it would cost roughly \$2M. Councilman Duncan pointed out that the budget was already almost \$20M for Huntoon.

Director Copley indicated that there were options and trade-offs with including, or removing, pieces of Complete Streets items. Policy questions for the Governing Body would include things like whether to eliminate a project or change the scale of projects in order to accomplish the projects, even if they are not able to be completed to the same scale as originally contemplated.

City Manager Wade agreed and felt the \$13M was the target spot for scope reduction or elimination of projects.

Chairman Emerson inquired as to if inflation or ongoing inflation costs were included in these estimates? Director Copley stated the figures represented a 3% inflation cost. CFO Freddy Mawyin added that, for the revenue side, staff has decided to follow a simple econometrics model, which is another aggressive integrated moving average model. This model accounts for dealing with uncertainties. The most likely scenario, which is your average of the upper and lower boundaries, show there is a 95% chance to have revenues between those numbers. That does not include something as drastic as inflation changing 25%.

Chairman Emerson inquired if inflation would also increase the sales tax receipts? CFO Mawyin indicated that was correct to an extent, however with other economic issues impacting the City, such as issues in the bond market at the federal level, is considered a benchmark. If the United States defaults, the expectation would be that the benchmark would increase. This would increase the likelihood for all other debt to raise as well. This has an effect on consumer behavior and spending. While prices could increase, we could see a marginal temporary increase in the overall net sales, but overtime people would adjust their spending and it could decrease, especially if unemployment goes up. City Manager Wade added that trends are showing that inflation is outpacing revenue gains. The project costs are rising faster than the tax receipts.

Committee member Dobler inquired about the bikeways and zoo, and asked if these were set numbers? Director Copley confirmed that those were set numbers, and that the current CIP has the zoo at receiving \$10M and the Bikeways Masterplan has \$3.5M. These are funded every two or three years at \$500K.

Committee member Dobler inquired about pavement management projects. Director Copley noted this decision occurred before his tenure in Public Works, however recalled this was made to fund some portion of the pavement management projects from the JEDO countywide half-cent sales tax, with partial

improvements to 29th Street and Fairlawn. It was listed on the countywide half-cent sales tax as a project but also mirrored a project within the pavement management program that required approval from the Governing Body to partner and leverage with the developer to make those improvements. Those are almost complete.

Committee member Dobler inquired as to who developed the priorities listed in the original agreement? Director Copley responded that a slide would be presented to the Governing Body later in the evening to show the priority taken straight from the interlocal agreement. He felt that, generally, the projects fell in a logical place. The decision to push 17th Street back was made, but as it was milled & overlaid five years ago, it can be pushed back to another five years to figure out what that will ultimately look like. Director Copley indicated the next project he would recommend would be Huntoon. That project would begin with public engagement in 2024. This is ultimately a policy decision to be made by the Governing Body.

City Manager Wade stated the next JEDO meeting would be in September, and felt staff could have some information to speak toward this at that meeting.

Chairman Emerson indicated it was his opinion, and the opinion of some constituents, to have more streets touched and done, than only a few elaborate projects that tear up neighborhoods for over a year. He felt this is what would really move the needle on the PCI. Many of these projects have gotten so complex that it is getting more difficult for the contractors and budget to complete.

Committee member Hoferer requested to see a list of PCI on all of the future and upcoming projects from the list, and to also include information on things such as water lines and sewer lines, etc. prior to the September JEDO meeting. Director Copley stated Public Works could provide the PCI for these projects, and that he would reach out to Utilities to request information on water and sewer lines.

CFO Mawyin discussed the request by the Governing Body for adding an additional approval step within the project approval process. Currently, there are two steps to the approval process. The first step is for the Governing Body to review the CIP years 4-10. The second approval is for the Governing Body to review the CIB years 1-3 of the CIP and proceed with design work, even if it is over \$50K. It is during this time that the project moves from an idea of the long-term plan to the CIB, where a funding source will be identified and the budget is

updated to provide a more precise scope. Staff feels a third additional step would provide the Governing Body with an extra step to better understand the individual projects as they come up. During this step, staff would bring the project back to the Governing Body for a final approval if additional criteria are identified such as a significant increase to the project budget or if the cost of the project would be more than \$250K. Director Copley added that prior to the third approval, which is basically approval of an individual project costing over \$250K, staff would perform the design. Prior to going out for construction, any project over \$250K would require Governing Body approval. If, subsequent to that approval, there is a change in scope or unknown conditions that would cause an increase, staff would not have the authority to make changes to the additional scope until Governing Body approval is given for that increased project budget.

Committee member Dobler thanked staff for bringing this proposal to the Committee. He stated he felt this was important and would bring the larger projects into this fold. He felt there could be something such as a 10% contingency built into the project. If the project goes over the approved cost during construction by 10%, it would not need to come back to the Governing Body for approval.

Chairman Emerson felt having a contingency percentage added in was a good idea. City Manager Wade felt something along the lines of 12.5%-15% might assist in this process, due to current cost inflation scenarios. Chairman Emerson and Committee member Dobler clarified their intent was to allow for staff discretion, if during the construction, there was a change order rise of cost up to 10% above the original approved amount. Chairman Emerson asked if the projects already allowed for a 10% contingency to be built into them. Director Copley confirmed there is a 10% contingency.

Chairman Emerson appreciated having the additional effort to bringing the project to the Governing Body, as it would allow Council members, and citizens, to know about an upcoming project in their district in advance of public information sessions, etc., and would allow for more visibility.

Chairman Emerson referenced past problems with right-of-way acquisition impacting project timelines, and asked if Director Copley felt that the right-of-way acquisition would be in the approval step two, and part of the design process? Director Copley stated that typically, no, it would not. Typically, staff would want to get a project designed and in front of the Governing Body first, to allow for

changes to be made if it is outside of the scope of the Governing Body's preference. Director Copley would not to have staff already acquiring right-of-way to later find out that the project is outside of the Governing Body's design scope preference. Chairman Emerson inquired about the timeline. Director Copley stated that, if year one would be for design, staff would go to the Governing Body at the end of year one to seek approval of the project budget, and put it out to bid. Year two would include right-of-way acquisition, as well as relocation of franchise utilities. Year three would be commencement of construction.

CFO Mawyin concluded the presentation with an example of what the project summary sheet would look like when presented before the Governing Body. This sheet would either be added to the agenda as a consent item or as an action item.

No action sought by the Committee at this time.

7) Other Items

No additional items.

8) Adjourn

Chairman Emerson adjourned the meeting at 11:48am.

The video of this meeting can be viewed at: https://youtu.be/g0t_AZdD5Jk