

CITY COUNCIL BUDGET RETREAT MINUTES

February 28, 2017

The City Council of the City of Norman, Cleveland County, State of Oklahoma, met in a Budget Retreat at 5:00 p.m. in the Municipal Building Conference Room on the 28th day of February, 2017, and notice and agenda of the meeting were posted at the Municipal Building at 201 West Gray, and the Norman Public Library at 225 North Webster 24 hours prior to the beginning of the meeting.

PRESENT:	Councilmembers Allison, Castleberry, Chappel, Clark, Heiple, Hickman, Holman, Karjala, Mayor Miller
ABSENT:	None

Item 1, being:

CHANGE ORDER TO CONTRACT WITH PHOENIX CONSTRUCTION DISASTER SERVICES, INC., INCREASING THE CONTRACT AMOUNT BY \$54,136.88 TO ADD STRUCTURAL REPAIRS TO THE SANTA FE DEPOT PROJECT.

The Norman Train Depot is a wood framed, brick clad structure originally completed in 1909. An initial on-site investigation found the west parapet wall of the south office area had noticeably rotated inward towards the roof parapets and the center clay tile roofs appeared to be out of alignment as well. Temporary shoring was installed beneath the roof joists in the south office area to brace the roof and the plaster ceiling was removed revealing the cast stone parapet cap was cracked and had allowed moisture to penetrate the building causing deterioration of the wall structure to the point that total structure rebuild of the damaged section was needed.

On October 25, 2016, Council approved Contract K-1617-46 with Phoenix Construction Disaster Services, Inc., in the amount of \$466,900 for the Norman Train Depot Reconstruction Project. During the reconstruction process of the damaged section, additional water damage was found on stud walls and rafters on the north and south gables that is causing structural deficiencies that must be remediated. Change Order No. One in the amount of \$58,842.58 will also include labor and materials for the additional repairs that consist of the removal and reinstallation of brick and stone on additional deteriorated wall framing; installation of new wall framing with attached interior plaster; installation of new metal brackets; installation of new wood framing with plywood sheathing; replacement of two rafters; anchoring two steel wall beam supports; installation of new flashing; rebuilding two window frames and reinstalling existing windows, brick, and stone; removal and reinstallation of chimney and south gable brick veneer to pour concrete beam; reinstallation of glulam beams; installation of custom made brackets to hold glulam beams; and painting, where needed.

On January 10, 2017, Council approved Contract K-1617-86 with Phoenix Construction Disaster Services, Inc., in the amount of \$49,850 for additional repairs that were discovered since the original contract approval. The second contract was necessary to prevent exceeding the allowable change order limit in the original contract. Work on the Norman Train Depot Reconstruction Project has progressed since the contract for repairs was awarded. Approximately 50% of the total project has been completed based on the Project Schedule of Values.

Item 1, continued:

Mr. Tony Bragg, McKinney Partnership Architects, said additional damage to the walls has been discovered; however, progress is being made on the project and Phoenix Construction Disaster Services, Inc., has been a great partner on this project. He said Change Order No. One in the amount of \$54,136.88 will allow for removing, cleaning, and reinstalling 770 square feet of brick (including brick ties, weeps, and necessary thru-wall flashing; removing and replacing 107 linear feet of two by six studs; removing and replacing 596 square feet of wall sheathing with plywood sheathing; installing 596 square feet of fluid applied waterproofing; connecting 527 square feet of plaster walls to new studs, patching, and painting; replacing three pieces of stone header; removing, salvaging, and reframing one existing arch window for reuse; and removing, salvaging, and reframing five existing rectangle windows for reuse.

The item is included on tonight's regular agenda.

Items submitted for the record

1. PowerPoint presentation entitled, "Norman Train Depot Reconstruction Project Supplemental Services," by Larry E. Curtis, P.E., Kirkpatrick Forest Curtis, P.C., City Council Conference dated February 28, 2017
2. File No. K-1617-86, Change Order No. One, dated February 17, 2017, by Matthew Hendren, Parks Superintendent
3. Change Order No. One to Contract K-1617-86

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Item 2, being:

CHANGE ORDER TO THE CONTRACT WITH CENTRAL CONTRACTING SERVICES, INC., INCREASING THE CONTRACT AMOUNT BY \$524,300 FOR A REVISED CONTRACT AMOUNT OF \$2,517,690 ADDING THE MAIN STREET WATER LINE BETWEEN PARK DRIVE AND JAMES GARNER AVENUE TO THE CONTRACT FOR THE BERRY ROAD WATERLINE REPLACEMENT PROJECT, PHASE 3.

Mr. Shawn O'Leary, Director of Public Works, said on February 23, 2016, the Norman Utilities Authority (NUA) approved Contract K-1516-80 with Central Contracting Services, Inc., in the amount of \$1,470,680 for construction of the Berry Road Water Line Replacement Project, Phase 3. He said Phase 3 construction included about 5,300 linear feet (LF) of 16-inch waterline from Main Street to Robinson Street and will also replace the westernmost lane of Berry Road.

On May 10, 2016, the NUA approved Change Order No. One to Contract K-1516-80 replacing approximately 1,800 feet of deteriorated 12-inch Ductile Iron Pipe (DIP) waterline with a 16-inch Poly Vinyl Chloride (PVC) waterline along the south side of Main Street between Berry Road and Flood Avenue.

On October 25, 2016, Change Order No. Two was approved to add the replacement of an additional 1,200 feet of deteriorated 12-inch DIP waterline with 16-inch PVC waterline along the south side of Main Street between Flood Avenue and Park Drive. Additionally, approximately 500 feet of an 8-inch waterline on the east side of Flood Avenue between Main Street and Gray Street will be replaced. Change Order No. Two also increases the contract time by 30 calendar days to allow completion of the additional work.

On January 19, 2017, the bid opening for the Main Street Streetscape Project was held by the Oklahoma Department of Oklahoma (ODOT); however, ODOT rejected the bids due to extremely high bids with the lowest bid being 44% (\$1,248,138.82) over the engineer's estimate.

Item 2, continued:

Mr. O'Leary said City Staff has been working with ODOT to repackage the project in an effort to re-bid the project on May 18, 2017. One item substantially over-bid was the new waterline replacement item. Generally, waterline work is completed by a City project ahead of ODOT projects, but due to the timeline and the need for a portion of the work to take place under an existing sidewalk, it was initially decided to package the two projects together. However, after the unfavorable bids were submitted, Staff explored the option of replacing most of the waterline ahead of the ODOT project since this would be a cost savings to the ODOT project, ODOT has agreed to waive their traditional timeline requirement for utilities to allow the City to relocate the waterline up to the new bid opening date.

Mr. O'Leary said the City is currently under contract with Central Contracting for similar utility work on Main Street between Flood Avenue and Park Drive where the Main Street Streetscape Project begins. Central Contracting has agreed to take on the additional waterline project so Staff is recommending approval of Change Order No. Three in the amount of \$524,300 to add the replacement of approximately 1,900 additional feet of deteriorated 12-inch waterline with 16-inch Poly Vinyl Chloride (PVC) waterline. New service lines will be installed to existing meters of all businesses within the project limits. The only waterline work not being completed by this change order will be the replacement of water meters and installing new services from the meter to existing buildings. The additional waterline replacement will be sequenced with sidewalk removal and replacement. Change Order No. Three will also increase the contract time by 81 calendar days to allow completion of the additional work with a revised completion date of May 18, 2017.

Councilmember Hickman asked how much disruption to businesses will occur on Main Street and Mr. O'Leary said there were a lot of difficulties in 2004, during the Downtown Main Street Streetscape Project, Phase I, from Jones Street to Porter Avenue and Staff learned a lot from that project. The project completion timeline of 60 days or less will expedite the overall project. He said two traffic lanes will be open throughout the project and parking will only be disrupted on the segment(s) of the street being worked on. Councilmember Hickman said he would like to see a communication plan for businesses within the project boundaries.

Councilmember Holman asked if the project is being funded by NUA or Capital Funds and Mr. O'Leary said the cost will be shared between the Capital Fund and NUA.

Councilmember Allison asked if the contractor will be working on 100 feet at a time or 200 feet at a time and Mr. Mark Daniels, Utility Engineer, said a 500-foot minimum will be needed for safety reasons.

Councilmember Castleberry asked why a waterline project is being paid out of the Capital Fund and Mr. O'Leary said during streetscape projects, the waterlines are generally relocated so there has always been an agreement that streetscape projects share costs between the Capital Fund and NUA so Staff is continuing in that vein. Councilmember Castleberry said he would like the NUA to pay for the entire waterline project. Mr. Ken Komiske, Director of Utilities, said this waterline project was not on the City's radar at this time, but it is cost beneficial to replace the waterline at the same time the street is being repaved. Councilmember Hickman said it would not be fair to cut items in the West Main Streetscape Project that were not cut from the East Main Streetscape Project so if the City has to utilize funds from a utility account to ensure fairness he felt that should be done. Mr. O'Leary assured Council that nothing substantial would be deleted from the West Main Streetscape Project.

Item 2, continued:

Councilmember Holman asked what the cost would be if NUA were to pay the entire cost of the waterline project and Mr. O’Leary said the waterline replacement cost is \$582,000 so the Capital Fund portion would be approximately \$290,000.

This change order is included on tonight’s regular agenda.

Items submitted for the record

1. PowerPoint presentation entitled, “Downtown Main Street Streetscape Project, Phase II (Transportation Enhancement),” City Council Agenda Item #15 dated February 28, 2017
2. File No. K-1516-80, Change Order No. Three, dated February 21, 2017, by Mark Daniels, Utilities Engineer, with location map
3. Change Order No. Three to Contract K-1516-80

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Item 3, being:

DISCUSSION REGARDING THE FYE 2017 CAPITAL IMPROVEMENT PROGRAM BUDGET AND THE FYE 2018-2022 CAPITAL IMPROVEMENTS PLAN.

Ms. Susan Connors, Director of Planning and Community Development, said tonight’s presentation will focus on the FYE 2017 Capital Improvement Program Budget and FYE 2018-2022 Capital Improvements Plan. On November 15, 2016, Council was updated on funded projects and discussed priorities. On February 28, 2017, Council will discuss proposed new projects and on May 2, 2017, Council will review the final proposed plan. She said revenue assumptions are projected to be 2.5% over FYE 2017 and 4.0% over in FYE 2019-2022.

Ms. Connors highlighted funding sources for Fund 50 Capital Fund as follows:

- Capital Sales Tax (0.7%);
- General Obligation Bonds;
- Interest Income;
- Grants; and
- Private Development Funds.

Ms. Connors said, historically, the Capital Sales Tax of 0.7% is broken down into the categories of Capital Outlay – 27%; Street Maintenance – 25%; Other Street Projects – 36%; Existing Facilities - 5%; and Contingency – 7%.

Direction from the Finance Committee was to maintain the health of the Capital Fund, accommodate declining sales tax, and set aside \$1 million per year for the Senior Citizens Center over the next six years. Ms. Connors said in order to meet these goals, FYE 2017 projects would need to be postponed (one year) and highlighted those projects as follows:

▪ 36 th Avenue N.W. – Indian Hills to City Limits	\$518,000
▪ Indian Hills Road Signals	\$300,000
▪ State Highway 9 (SH9) Multi-Modal Path, Phase 2	\$175,000
▪ City Website Design	\$138,000

Item 3, continued:

Ms. Connors said FYE 2018 project postponements include the following:

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|---|-----------|
| ▪ 201 West Gray Generator | \$165,000 |
| ▪ 201 West Gray Carpet | \$110,000 |
| ▪ City Manager/City Clerk Office Security and Remodel | \$107,000 |
| ▪ Porter Avenue/Acres Street Intersection | \$250,000 |

FYE 2019 project postponements include the following:

- | | |
|---|-----------|
| ▪ 201 A West Gray Generator | \$121,000 |
| ▪ Porter Avenue/Acres Street Intersection | \$200,000 |

Councilmember Allison asked if the 36th Avenue N.W. Project is being postponed because the City will not be finished with the southernmost portion of the project and Mr. O'Leary said it is more about cost savings.

Councilmember Allison said he supports installing generators because employees cannot work when power is off. He said postponing the generators to find money for the Senior Citizens Center versus postponing a project due to it not being ready to move forward will affect his budget decisions. He asked if the City is simply delaying these projects in order to find \$1 million in the budget for the Senior Citizen Center. Mr. Steve Lewis, City Manager, said there are multiple reasons for postponing projects and Staff has tried to postpone projects to give Council leeway to add projects they have expressed interest in, if that is their desire.

Mayor Miller said Council has discussed finding funding for a Senior Citizens Center and one item discussed was how to accumulate \$1 million annually from the Capital Fund. The City Manager asked Department Managers to list items in their departmental budgets they could go without to put towards a Senior Citizens Center fund. According to Mr. O'Leary, the 36th Avenue N.W. Project could be postponed for one year and the project reassessed in FYE 2019.

Councilmember Hickman said some projects are being postponed while some projects are eliminated. He asked if projects are eliminated, does that mean they are being eliminated forever. Ms. Connors said postponements move money from FYE 2017 to FYE 2018 and projects being eliminated are projects that will not be funded. Ms. Connors said projects being eliminated consist of Community Neighborhood Plans - \$330,849; Greenbelt Acquisition Fund - \$294,135; Interior Painting of Municipal Complex - \$122,595; and Traffic Calming - \$91,658. Councilmember Hickman asked what community neighborhoods are being affected, in what way they are being affected, and what greenbelt acquisitions are taking place. Ms. Connors said Community Neighborhood Plans are Community Development Block Grant (CDBG) neighborhoods where improvements are scheduled; however, no projects are scheduled in FYE 2017. She said the Greenbelt Acquisition Fund is a recurring funded line item in the budget where funds have primarily been used to purchase and demolish houses in the flood plain or to create conservation easements.

These programs are reoccurring projects and the funds proposed to be eliminated are the current project balances in FYE 2017 and FYE 2018. New funding will be programmed beginning in FYE 2019 to reinstate the programs.

Item 3, continued:

Councilmember Holman asked if the City Manager/City Clerk Office Security Remodel Project or interior painting projects could be accomplished by using any of the 2008 General Obligation (G.O.) Bond authorization since that money was approved by voters for Municipal Complex renovations. Mr. Bryant, City Attorney, said those bonds have not been sold so there is no money for these projects. He said the City must accomplish what was approved by voters then if any money is left over the money can be spent on similar projects. There were three main components to the authorization for those bonds that included remodeling the existing library for a Senior Citizens Center and City offices currently housed in Building A, remodeling Building A as a Municipal Court, and remodeling the Municipal Court building for police purposes. Councilmember Holman asked if the 2008 G.O. Bonds could be issued without the Senior Citizens Center remodel portion and Mr. Bryant said the City must prove the purpose of the bonds has been accomplished and only then can left over funds be used for similar projects, but he would need to speak to the Bond Counsel about that. Councilmember Holman felt using some of the 2008 G.O. Bond funds could help accomplish some of the projects being postponed.

Councilmember Heiple said the Attorney General's (AG) Office was asked if the 2008 G.O. Bonds could be used for any other municipal purposes and the answer was a definite no. The AG said the money must be used for the stated purpose voters approved and as much as he would like to have the ability to repurpose the money for other municipal projects that is not possible.

Ms. Connors highlighted proposed project funding to be eliminated in FYE 2018 as follows:

▪ Bridge Maintenance	\$100,000
▪ Community Neighborhood Plans	\$100,000
▪ Concrete Valley Gutter	\$ 75,000
▪ Greenbelt Acquisition	\$ 50,000
▪ Traffic Calming	\$ 50,000
▪ Tree Match	\$ 10,000
▪ Replace Core Network Switches	\$275,000

Councilmember Hickman asked what the Tree Match Fund is used for and Mr. Jud Foster, Director of Parks and Recreation, said it is used to replace damaged trees on City properties. Councilmember Hickman asked if the fund is fully funded by sales tax revenue then moved into the Capital Fund or is it funded by some type of fees/assessment charged to developers, property owners, etc. Mr. Foster said there are other methods in which trees are planted, such as requiring developers to plant trees in front of residential structures but these funds are from the Capital Fund.

Councilmember Castleberry said there are a lot of bridges in Norman and asked whether or not any are currently requiring maintenance. Mr. O'Leary said Norman has 74 bridges, but there is a balance in the Bridge Maintenance Fund of about \$300,000 and Staff believes they can give up \$100,000. He said, in reality, the City should be contributing \$500,000 per year towards bridge maintenance and Staff hopes to be able to do that in the future through a Stormwater Utility (SWU). Councilmember Allison said he appreciates Staff's willingness to give up funds to reach a goal, but he does not understand how the City can afford to give up \$100,000 from bridge maintenance when the City recently had to unexpectedly rebuild Havenbrook Bridge due to age issues at a cost of \$400,000.

Councilmember Chappel said these postponed projects do not go away so it seems like the City would be piling projects on top of projects for the next few years. If the City has funds budgeted for a project, then the City should move forward with the project instead of delaying it further. He said the Council should not continue to delay projects.

Item 3, continued:

Ms. Connors said capital project savings and/or reductions for FYE 2017 and FYE 2018 include the following:

FYE 2017

▪ 36th Avenue N.W.: Franklin Road to Indian Hills Road	\$ 104,647
▪ Andrews Park Reforestation	\$ 4,000
▪ Bicycle Plan – Bike Path 08	\$ 8,000
▪ Fire Administration Building Remodel	\$ 50,000
▪ Railroad Quiet Zone	\$ 396,258
▪ Sandpiper Lane	\$ 6,820
▪ Hall Park Greenbelt Trail	\$ 2,325
▪ State Highway 77 and Imhoff Road Signal	\$ 60,738

FYE 2018

▪ Sidewalks and Trails	\$ 100,000
▪ Enterprise Resource Planning (ERP) System Upgrade	\$1,150,000

Councilmember Castleberry asked if the City owed anything on the Robinson Street Underpass or if it is completely paid. Mr. O’Leary said it appears the City may receive a refund, but ODOT is just beginning to audit that project. Councilmember Castleberry asked if the City set aside money for that project just in case anything is owed and Mr. O’Leary said yes; however, Staff has learned that the Grant Program is going to be more favorable than anticipated. Mr. O’Leary said Staff should have more information in a few weeks.

Councilmember Clark said there are a variety of sidewalk and trail projects in Norman and asked where those projects are taking place. Mr. O’Leary said this fund is pretty much open-ended to be used at locations where Council has made specific requests so that money has not been designated to a particular project(s). Councilmember Hickman asked how much money is allocated to sidewalks and trails annually and Mr. O’Leary said about \$400,000. Councilmember Hickman said he would prefer to protect the sidewalk budget because there are a lot of sidewalks needing work or neighborhoods needing sidewalks. He said the City hired a consultant to prioritize sidewalks, but the City has not been following that prioritization plan. If the City is going to have a plan then the City should be allocating resources to follow that plan.

Mayor Miller said if the City is not following a prioritized plan, she is not aware of that. Mr. Lewis said the City tries to avail itself of opportunities to leverage dollars and sometimes that changes the order of prioritized projects.

Mayor Miller said tonight Council is talking about doing something very different in the budget process that has never been done before and that is taking \$1 million out of the Capital Fund for a single item. She said Council does not know the consequences of taking these capital projects out of the budget and she is very uncomfortable with what is being proposed and Councilmember Heiple agreed. Mayor Miller said she would like to fund a stand-alone Senior Citizen Center, but reprioritizing the Capital Fund for that purpose is not the way to do that.

Councilmember Castleberry said Council is simply trying to determine if construction of a Senior Citizens Center could be accomplished by using Capital Funds and if so, how that would affect the Capital Fund. He said it is nice to know the City has saved money on projects that can be used on other projects such as a Senior Citizens Center, sidewalks, bridge maintenance, road maintenance, etc. Mayor Miller said some of the projects being postponed are items she believes are really needed, e.g., generators.

Item 3, continued:

Councilmember Karjala asked if tonight's discussion is primarily discussion on how Capital funds can be redirected to fund a stand-alone Senior Citizens Center as recommended by the Finance Committee and Mayor Miller said yes. Councilmember Karjala said not all of the members were in favor of that recommendation. She said no one is saying this has to happen, Council is simply being provided information on the feasibility of doing that and the effect it would have on other projects.

Ms. Connors highlighted estimated project cost increases in FYE 2018 as follows:

▪ Fire Station No. Seven Remodel	\$ 30,000
▪ 12th Avenue and High Meadows Signal	\$100,000
▪ 12th Avenue S.E. and Triad Village Signal	\$ 16,252
▪ 24th Avenue N.W. and Tee Drive Intersection	\$ 25,000
▪ 36th Avenue N.W. and Tecumseh Road	\$ 50,000
▪ Flood Avenue and Ventura Drive Signal	\$ 10,000
▪ Flood Avenue Sidewalks	\$ 20,000
▪ Legacy Trail Multi-Modal Path Extension	\$178,000
▪ State Highway 77 and Post Oak Signal	\$ 20,000
▪ Debris Management Plan	\$ 35,000

Councilmember Hickman asked the location of the Flood Avenue sidewalk projects and Mr. O'Leary said they will be on Flood Avenue north of Gray Street where sidewalks do not currently exist.

Councilmember Hickman asked for an explanation of the Debris Management Plan. Mr. O'Leary said Council adopted the Plan several years ago and it has been used a number of times to handle debris after major disasters such as tornadoes, ice storms, etc.

Councilmember Castleberry asked why the Legacy Trail Multi-Modal Path Extension Project is not part of the Norman Forward package and Mr. O'Leary said that project had not been included in the Norman Forward package. Councilmember Castleberry asked if Norman Forward funds could be used to pay for the project and Mr. Foster said yes. Mr. Angelo Lombardo, Traffic Engineer, said the project budget was capped at a specific amount and the project will exceed that cap due to lighting along Legacy Trail, which is the reason for the cost increase.

Ms. Connors highlighted potential contingency expenditures as \$3 million in disaster relief funds currently being appealed to the Federal Emergency Management Agency (FEMA) for flood damaged roads and bridges in May/June 2015; unexpected bridge repairs and failures such as Havenbrook Bridge; fleet and equipment replacement; stormwater projects; facility maintenance and repair; and project overruns.

Councilmember Castleberry asked if the City has spent the \$3 million in disaster relief funds and if they are trying to get that reimbursed from FEMA and Mr. O'Leary said no, the \$3 million is to be used for three (3) bridge crossings in Ward Five that were washed out during the floods. The City made temporary repairs to reopen the bridges; however, FEMA has denied funds for permanent repairs. Mayor Miller said the repairs will have to be done whether the City receives FEMA money or not. Mr. Lewis said the State has agreed with the City's appeal and is helping carry that appeal to FEMA.

Ms. Connors said \$11,770 was set aside in FYE 2017 for the Senior Citizens Center and then \$1 million each year is proposed to be set aside in FYE 2018-2022. She said the \$3 million budgeted in FYE 2021 for the James Garner Boulevard Extension Project could potentially be used for the Senior Citizens Center as well if federal funds become available.

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Item 3, continued:

Mayor Miller suggested Council continue this discussion at the March 9, 2017, Finance Committee Meeting since the regularly scheduled City Council Meeting is due to convene in a few minutes.

Items submitted for the record

1. PowerPoint presentation entitled, "Capital Fund 50 – FYE 2018 Capital Budget – FYE 2019-2022 Plan," dated February 28, 2017
2. Capital Fund 50 Revenues and Expenditures summary

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The meeting adjourned at 6:16 p.m.

ATTEST:

City Clerk

Mayor