

CITY COUNCIL STUDY SESSION MINUTES

November 4, 2014

The City Council of the City of Norman, Cleveland County, State of Oklahoma, met in a Study Session at 5:05 p.m. in the Municipal Building Conference Room on the 4th day of November, 2014, 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 Castleberry, Heiple, Holman, Jungman, Lang, Miller, Quinn, Williams, Mayor Rosenthal

ABSENT: None

SUBMISSION AND PRESENTATION OF THE NORMAN PUBLIC LIBRARY MASTER PLAN UPDATE BY JEFF SCHERER FROM MEYER, SCHERER AND ROCKCASTLE (MSR) DESIGN.

Ms. Anne Masters, Director of the Pioneer Library System (PLS), said she has lived in Norman since 1963, when the population was 30,000 and Norman's current population is over 100,000. She often hears citizens express surprise at the many services the library provides, not because they are unaware of the library, but because the library serves the community in so many important ways. She said when citizens focus on one service they miss so many other services. She highlighted services of the library as follows:

- Young children, parents, and caregivers – the PLS Growing Like a Weed Literacy Program blends traditional story times with research based parent information to ensure success in school and life;
- Students (of all ages) – PLS offers online tutoring, homework help, and computer resources including the very popular online test practice for most standardized school or career tests;
- Adults needing to learn to read or learn the English language – PLS operates a basic adult literacy program. Staff members train, assist student reading levels and provide learning resources to help adult students with one-on-one instruction. Tutors also offer English language learning and PLS will be starting a Citizenship Education Program after the first of the year;
- Adults needing technology help – PLS offers help in using technology devices, help in accessing services the government provides, help in accessing financial literacy information, and help in accessing health information;
- Adults seeking employment – PLS offers help on resume writing, job application assistance, job skills, as well as helping businesses and entrepreneurs wanting to train their employees or to grow and start businesses; and
- People of all ages who find enjoyment and entertainment in the many opportunities the library offers through library programs, books, online resources, downloadable information and forms, and genealogy resources.

Ms. Masters said new libraries do not move existing library users to different libraries, but invite a whole new group of library users to the experience. There are many ways that a central library and east side library can serve the Norman community, but the overall message is that new libraries reach more people with services already provided. She said people want libraries that are conveniently located and well designed, with beautiful, comfortable spaces that will connect them with services, resources, and other people, which makes the quality of life in Norman better for everyone.

Ms. Masters said in 2008, an election was held for a new library and the item failed by a narrow margin. There were some concerns at that time that have since been addressed. One issue was the need for 17,000 square feet of office space for PLS Staff. She said PLS purchased the former Borders Book Store on the west side of Norman and the west side library (Norman West) recently celebrated its first year anniversary. PLS Staff occupies its own space in Norman West so the need for office space is no longer an issue. She said the

Item 1, continued:

City of Norman, through a partnership with PLS, is leasing space in Norman West and Norman West has been widely successful.

Another concern in 2008 was that library sites had not been identified, but sites have now been identified for downtown and east side libraries. Another concern had to do with the need for branch libraries in east and west Norman as well as central Norman. The west side branch is no longer an issue and the Norman Library Master Plan Update by Meyer, Scherer and Rockcastle (MSR) Design addresses an east branch library as well as an improved central library.

Mr. Jeff Scherer, MSR, said the referendum on the ballot in 2008 was for a central library with 118,000 square feet, but that has been decreased to 82,000 square feet because offices are no longer needed for PLS Staff and because libraries have changed dramatically over the last six to ten years. He said, nationally, the number of people going to libraries has increased in the last five years from 4.1 billion to 5.4 billion while at the same time the number of books checked out has stayed level. That means libraries are being used for entirely different reasons than they were ten years ago. He said Americans spent \$8.2 billion on Halloween candy this year and, in perspective, that is one quarter of what Americans spent on public library operations.

Mr. Scherer said teenagers are the fastest growing group in the country utilizing library services. In Tulsa the central library currently under construction has an entire floor dedicated to social and business entrepreneurs. Librarians will be trained on marketing research, patent research, finding graphic designers, finding information about businesses, etc.

Mr. Scherer said MSR is not proposing the same type of library building that was proposed in 2008. MSR is proposing a building that is twice as energy efficient as well as a building that is incredibly flexible and able to change quickly as technology evolves. He said the plans for a new library include a raised computer floor throughout the entire building with low velocity air delivery systems in the raised computer floor so there are no overhead ducts. The plans would allow walls to be de-mountable and movable to accommodate different activities with plug-and-play technology rather than installing electrical wiring through the walls.

CENTRAL LIBRARY

Mr. Scherer said the proposed site for a central library is north of Andrews Park near the railroad tracks consisting of 7.27 acres; 1.75 acres is already owned by the City. The site would front Andrews Park and extend across the street to allow for a slow zone. He said the primary library access will be off Acres Street with a secondary access off West Hughbert Street. An extension of James Garner Boulevard is planned in the future and MSR is proposing to use that right-of-way as a proposed access to the site. He said there are also future plans to extend Legacy Park Trail, which will be aligned along the railroad tracks allowing for a proposed landscaped plaza on the northeast side of the library. He said money is currently allocated for a railroad quiet zone in that area.

Mr. Scherer said the proposed three story central library plans include surface parking and below grade culverts to manage stormwater. He said level one will consist of a drop-off area; entry; atrium/lobby; circulation desk; collection (children's); Staff; study room; outdoor court; technology lab; café; friends bookstore; Staff work area; building support/loading; and book drop. Level two will consist of collection and seating (teens); building support; atrium/lobby; collection and seating (adults); Staff; study room; outdoor roof terrace; and technology lab. Level three will consist of local history and family; seating; atrium/lobby; conference/meeting rooms; Staff; and outdoor roof terrace.

Item 1, continued:

Mr. Scherer said the plans include a parking garage option for the central library location that would consist of 258 spaces for a two story garage. He said advantages to a parking garage is closer distant to the building and direct, covered, access to the library on both levels; possibly less land needed; ability to expand as the need for more parking increases in the Central Business District; platform for future photovoltaic panels; less exposed surface which reduces the ambient heat levels; less water run-off; shelter from natural elements as 2/3rds of the parking spaces would be shaded; and more disunity and less sprawl. He said disadvantages include increased cost per car;

large structure with potentially no ground level activity; added maintenance and security costs of approximately \$5,000 per year plus the net increase for lighting; and scale and proportion will be difficult to manage in this urban context.

EAST LIBRARY

Mr. Scherer said an east side library is proposed to be 12,500 square feet located on Alameda on the same property as Fire Station No. 9. The existing parking lot would be expanded for a total of 63 spaces. He said the building will have two lanes in and two lanes out for fire truck exiting. The building would consist of a main entry; meeting rooms; lobby; technology and media area; building support; Staff; technology; adult collection; teens collection; children's collection; and outdoor space.

Mr. Scherer said combined total project costs for both libraries would be \$43.8 million, \$5 million for the east branch and \$39 million for the central branch and those costs include an allocation of \$1.5 million for potential acquisition of land.

COUNCIL DISCUSSION

Councilmember Castleberry asked what the 5% contingency costs cover and Mr. Scherer said perk tests, soil borings, design plans, etc. He said MSR has no idea what the market conditions or inflation will be in the future making it hard to determine contingency costs. He said based on his experience of 12 million square feet of libraries, \$43.8 is the maximum budget he would recommend. He said it is highly likely it could be less, but it will definitely not be more.

Councilmember Miller asked what it costs each year to delay construction and Mr. Scherer said if a referendum were to happen in 2015 and the project is bid as soon as possible after the referendum passes the total project cost is projected at \$47.7 million, which covers inflation. In Year Two it would cost \$49.7 million, Year Three it would cost \$51.7 million and in Year Four it would cost \$53.7 million. He said obviously, the City would want to move as quickly as possible.

Mayor Rosenthal asked Mr. Scherer about the libraries energy efficiency and operational costs and Mr. Scherer said MSR was the first company in Minnesota to sign the 2014 Challenge, which means that based on the year 2013, MSR will be constructing buildings that are net zero meaning the buildings have no energy consumption. Currently, MSR is at 60% of that goal on all projects. He said the buildings have very low velocity delivery of air under the floor so the first 84 inches to 96 inches of the building are heated/cooled, warm air is bled off the top of the building and fed back into the system. He said 30% to 40% less heating/cooling motors are used making energy costs lower. He said the lighting systems are Light Emitting Diodes (LED's) instead of halogen or fluorescent bulbs and that alone takes 30% to 35% of the energy costs out of the building. He said the City would save \$40,000 to \$50,000 in energy costs annually.

Item 1, continued:

Councilmember Lang asked the average number of branch libraries, per population, MSR has constructed to date and Mr. Scherer said he did not have that information at hand, but would get that information to Council. He said branches are determined by five things, 1) convenience, 2) operating costs, 3) budget to construct buildings, 4) driving distance, and 5) appearance of the library branches. He said because branches are smaller, they do not always serve all the needs of the area, but are a more expensive option in terms of equipment, Staff, etc. He said cities have to weigh the costs against convenience. Ms. Masters said when you build libraries that are convenient to people, you attract many more users. Councilmember Miller said many people on the east side of Norman do not have internet service, quality cell phone service, a facility with meeting rooms, etc. She said there are many reasons why an east side library is especially important at this time. Mayor Rosenthal agreed and said the City now has a west side branch and it is very important to recognize the need and demand on the east side because the east side is growing and there are issues the City can address with a library branch.

Councilmember Castleberry asked if anyone has discussed financing models and Mr. Anthony Francisco, Director of Finance, said General Obligations (G.O.) Bonds are the likely option. Mayor Rosenthal said there are various financing options. She thanked Mr. Scherer for the update.

Items submitted for the record

1. Memorandum dated October 31, 2014, from Steve Lewis, City Manager, to Mayor and City Council
2. PowerPoint entitled, "City of Norman Master Plan of Library Services Update"
3. Master Plan of Library Services Update by Meyer, Scherer and Rockcastle (MSR) dated November 1, 2014

* * * * *

Item 2, being:

CONTINUED DISCUSSION REGARDING PROPOSED INCREASES IN THE CITY OF NORMAN WATER RATES AND THE WATER METER CONNECTION FEES.

Mr. Ken Komiske, Director of Utilities, said the City is trying to strike a balance with water rates between revenue stability/resiliency; conservation promotion; affordability; and economic development.

Mr. Komiske highlighted the changes from the previous review reducing the total costs for Phase II of the Water Treatment Plant (WTP) Upgrade Project from \$50 million to \$47 million. He said the main change is the reduction in new wells from \$12 million to \$9 million. He said Staff looked at the number of wells that would be supplied, the volume of water necessary, and determined to include \$3 million of the cost to be supported by connection fees. He said it took it out of the revenue mix for the commodity fee and put it into the connection fees, which reduced the total requirements per year to \$5.5 million.

Item 2, continued:

Mr. Komiske said based on comments received from Council meetings as well as public meetings, Staff has developed the following proposed rates:

	PRESENT	PUBLIC MEETING	PROPOSED
BASE FEE w/CIC *	\$5.50	\$7.50	\$7.50
0 to 5,000	\$2.00	\$3.50	\$3.35
5,001 to 15,000	\$2.10	\$4.20	\$4.10
15,001 to 20,000	\$2.75	\$5.20	\$5.20
More than 20,000	\$4.95	\$6.80	\$6.80

* Capital Improvement Charge

Mr. Komiske said moving some of the well costs to the connection fee revenue provided the opportunity to reduce some of the rates customers would pay on their commodity rate.

Mr. Komiske said conservation styled rates are being proposed for commercial customers based on their average winter consumption (AWC) during December, January, and February. He said proposed rates are as follows:

WINTER	PRESENT	PROPOSED
BASE FEE	\$5.50	\$7.50
Consumption Per 1,000 Gallons	\$2.10	\$3.80

SUMMER	PRESENT	PROPOSED
BASE FEE	\$5.50	\$7.50
Consumption Above AWC	\$2.10	\$4.20

Mr. Komiske said during the public meeting held on October 8, 2014, citizens suggested adding an additional tier charge to the rate block as well as a high use surcharge. Mr. Komiske said Norman adopted its inverted rate block in 1999, for conservation purposes. He said the more water a customer uses the more expensive the water becomes per unit and that affected 25% of residential customers. He said the inverted rates did decrease water usage during peak demand times. He said Norman is the only city surveyed that has four tiers in its rate block. Edmond has three tiers while Moore, Enid, and OKC have two tiers. He said some cities have a flat rate so no matter how much water is used, the price is the same.

Mr. Komiske said a high use surcharge of \$.35 per 1,000 gallons of water consumption greater than \$20,000 per month could be charged during the water usage months of July and August, which would be reflected on customers utility bills of August and September. He said this would generate over \$117,000, which would cover some of the costs of Norman purchasing portions of Del City's water allocation from Lake Thunderbird.

Mr. Komiske said an ordinance was prepared for Council's consideration for First Reading on October 14th and Second Reading on October 28th; however, Second Reading was postponed to November 10th in order for Council to have more discussion on the rate increase. An amendment would be necessary to incorporate the latest modifications on November 10, 2014. He said if the ordinance is adopted on November 10th, a special election would be held January 13, 2015, and rates would become effective March 2, 2015.

Item 2, continued:

Mayor Rosenthal said Staff has reduced the cost of constructing new wells from \$12 million to \$9 million to cover costs of wells that are only attributable to current users through the rate structure. Mr. Komiske said this change is contingent upon connection fees making up the difference to cover new growth. Mayor Rosenthal asked if the proposed rates cover the \$3 million in new wells that are clearly for new capacity and Mr. Komiske said it would cover the cost of wells constructed within the next five years.

Councilmember Heiple asked if the University of Oklahoma (OU) is currently paying 90% of the commercial rate and Mr. Komiske said that is correct. Councilmember Heiple said if the City asked OU to pay the full 100% would the City have to take on 100% of the infrastructure costs for OU and Mr. Komiske said that is what OU is suggesting. Mr. Komiske said Staff has discussed increasing OU's rate to 100% with representatives of OU and argues they have their own distribution system so if the City wants OU to pay 100% of the commercial rates, then the City should install meters on every building and take over distribution system, hydrants, etc. Councilmember Heiple understands the pipe system at OU is very old and in poor condition and Mr. Komiske agreed and said the City would prefer not to take over OU's distribution system. Councilmember Heiple said the one contract with OU is equivalent to 600 to 700 individual customers and Mr. Komiske said that is correct. Mayor Rosenthal asked when the first contract with OU was negotiated and Mr. Komiske said in 2007, and at that time OU was paying 82% of the commercial rate and the contract increased that percentage to 90%.

Councilmember Castleberry said rate payers will be financing new costs over 20 years, whereas connection fees would be financing costs over four years, which he believes is reasonable. He asked if the same amount of revenue is being projected and Mr. Komiske said the new proposal would generate \$5.5 million annually so an increase in connections fees would need to happen in order to make up the \$3 million difference. Councilmember Castleberry said he would feel more comfortable generating more than \$5.5 million annually through water rates. Mr. Komiske said Staff is trying to find a balance in covering costs, but there are no guarantees the proposed water rates will generate enough to do that. Councilmember Quinn said it is impossible to be exact when predicting five years or more worth of future growth and Council needs to find a way to review needs more frequently instead of every nine or ten years. Mayor Rosenthal said the key variable is weather and its affect on the health of the Water Fund. Mayor Rosenthal said there seems to be a consensus on charging the additional \$3 million for new wells through an increase in connection fees.

Mayor Rosenthal said the concept of a surcharge for usage over 20,000 gallons is to cover costs of purchasing portions of Del City's allocation and the surcharge will only be applied during the months of July and August, which are the highest usage summer months. Councilmember Miller said the City has a long term goal of protecting its water resource and that is why she likes the idea of a surcharge for higher users. She said there is strong public sentiment to encourage conservation and plant drought resistant plants and trees and this is the type of fee that speaks to that. Councilmember Holman was concerned about apartment complexes that are on a single meter and how that would affect those low income users and Mayor Rosenthal said the proposal would only affect single family households as defined under R-1, Single Family Dwelling District, and R-1A, Single Family Attached Dwelling District, which alleviates that problem. She said multi-family units would not be impacted by the surcharge. Mayor Rosenthal said there seems to be support to add the surcharge.

Item 2, continued:

The ordinances will be considered on Final Reading at Council's meeting on November 10, 2014.

Items submitted for the record

1. PowerPoint presentation entitled, "031 Water Fund," dated November 4, 2014
2. Legislatively notated draft Ordinance No. O-1415-15 (as amended)
3. Legislatively notated draft Ordinance No. O-1415-16 (as amended)
4. Special Election Proclamation and Notice of Election amended November 3, 2014

The meeting adjourned at 6:37 p.m.

* * * * *

ATTEST:

City Clerk

Mayor