

## CITY COUNCIL STUDY SESSION MINUTES

April 28, 2015

The City Council of the City of Norman, Cleveland County, State of Oklahoma, met in a Study Session at 5:30 p.m. in the Municipal Building Conference Room on the 28th day of April, 2015, 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, Heiple, Holman, Jungman, Lang, Miller, Williams, Mayor Rosenthal

ABSENT:

None

Item 1, being:

CHANGE ORDER NO. TWO TO CONTRACT K-1314-112: WITH RDNJ, INC., D/B/A A-TECH PAVING, INCREASING THE CONTRACT AMOUNT BY \$700,000 FOR A REVISED CONTRACT AMOUNT OF \$1,409,375 FOR THE 2014 URBAN CONCRETE REHABILITATION BOND PROJECT.

Mr. Greg Hall, Street Superintendent, said this change order adds \$700,000 to the contract for a revised contract price of \$1,409,375. He said on March 25, 2014, Council awarded the FYE 2014 Urban Concrete Street Project to RDNJ, Inc., d/b/a A-Tech Paving and approved K-1314-112 in the amount of \$709,375.

Mr. Hall said Change Order No. One to Contract K-1314-112 was also approved on March 25, 2014, adding \$100,000 to bring the total contract amount to \$809,375. He said Change Order No. One allowed A-Tech Paving to do additional work in the Smoking Oaks Addition and on Main Street. He said additional concrete failures have occurred since the bond issue was first proposed and the change order will allow those issues to be addressed and better serve that entire neighborhood.

Mr. Hall said there is currently a surplus balance in the 2010 Street Maintenance Bond Program based upon the planned annual allocations, funds spent, current encumbrances and anticipated remaining projects. The current balance in the Urban Asphalt Street Program is \$1,777,506, due primarily to a favorable bidding climate throughout the program and all the urban asphalt streets contained in the original Bond Election language have been completed. Therefore, Staff recommends a transfer of funds within the Bond Program for the Urban Asphalt Street category to the Urban Concrete Streets projects in order to address the additional needs on the project.

Change Order No. Two to Contract K-1314-112 is included on Council's regular meeting agenda later this evening.

Items submitted for the record

1. Text File K-1314-112 dated April 2, 2015, with attached map of the Urban Concrete Rehab – Main Street, 48<sup>th</sup> Avenue West to 36<sup>th</sup> Avenue West
2. Change Order No. Two to Contract K-1314-112 with Change Order Detail and Detailed Cost Itemization

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Item 2, being:

DISCUSSION REGARDING THE FYE 2016 CAPITAL BUDGET.

Ms. Suzanne Krohmer, Budget Manager, highlighted the fiscal year 2015-2016 summarized budget calendar to date and said tonight Staff will be presenting the FYE 2016 Capital Improvement Projects Budget and FYE 2017-2020 Capital Improvements Plan (CIP).

Item 2, continued:

Ms. Krohmer highlighted all the funds involved in the Capital Improvements Projects (CIP) as follows:

Public Safety Sales Tax	Sewer Maintenance
Community Development Block Grant (CDBG)	New Development Excise Tax
Special Revenue	Sewer Sales Tax
Room Tax	Capital
Campus Corner Tax Increment Finance (TIF)	Park Land and Development
Water	University North Park Tax Increment Finance (TIF)
Water Reclamation	Arterial Road Recoupment
Sanitation	

Ms. Krohmer said the main revenue source for the Capital Budget is the Capital Sales Tax which is 70% of one-percent sales tax collected by the City and is set aside specifically for capital improvements. She highlighted all the funds in the FYE 2016 Capital Budget Revenue Sources to include:

• User Fees	\$ 5,115,000
• Capital Improvement Charge	\$ 295,000
• Sewer Replacement Charge	\$ 0
• Sewer Maintenance Rate	\$ 2,785,000
• Sewer Excise Tax	\$ 0
• Capital Sales Tax	\$ 14,581,768
• Tax Increment Financing	\$ 454,767
• Public Safety Sales Tax	\$ 0
• Room Tax	\$ 212,500
• Bonds	\$ 5,624,544
• Grants	\$ 12,012,575
• Private	\$ 11,556
• Park Fee	<u>\$ 37,500</u>
TOTAL	\$ 41,130,210

Over 53% of expenditures for the Capital Fund were for street maintenance and transportation projects and Staff highlighted the expenditure proposals for the FYE 2016 Capital Budget to include:

• Capital Outlay	\$ 3,344,085
• Maintenance of Existing Facilities	\$ 323,000
• Personnel and Services	\$ 1,202,470
• Street Maintenance	\$13,210,886
• Transportation	\$ 8,837,047
• Buildings and Grounds	\$ 4,278,722
• Parks and Recreation	\$ 1,167,000
• Sanitation	\$ 1,000,000
• Stormwater	\$ 572,000
• Water Reclamation	\$ 4,099,000
• Water	<u>\$ 3,096,000</u>
TOTAL	\$ 41,130,210

Ms. Krohmer said Enterprise Fund projects were discussed last week and are not included in this presentation; however, project expenses and revenues are included above in the total.

Item 2, continued:

Councilmember Castleberry asked whether the Campus Corner Tax Increment Finance (TIF) Fund will be officially closed out and Mr. Anthony Francisco, Finance Director, said yes, the fund will be closed out at the end of FYE 2015, but for historic purposes it will still need to be reflected in the budget document for another year.

The Room Tax Fund is a 5% tax that is added to the guest's motel/hotel bill for room reservations and Staff said there are no Room Tax changes to the previous five (5) year plan for FYE 2016. Project in the FYE 2016 include:

- Citywide Disc Golf Improvements (\$35,000);
- Saxon Community Park Development, 2<sup>nd</sup> Year (\$50,000);
- Sports Complex Bleacher Replacement, match Park Land funds, 2<sup>nd</sup> Year (\$37,500); and
- Whittier and Irving Recreation Center Bleacher Replacement (\$90,000).

The Park Land and Development Fund includes the Sports Complex Bleacher Replacements, matching Room Tax funds, 2<sup>nd</sup> Year (\$37,500); and Park Shelters (\$40,000). Ms. Krohmer said \$40,000 for Park Shelters was included in the printed preliminary budget and Staff discovered it was duplicated in the Capital Fund. She said the project will be removed from the Park Land and Development Fund by a budget amendment since it is being funded by the Capital Fund.

The University North Park TIF Fund includes the Robinson Street west of I-35 Project (\$454,767) – which is the design of the preferred alternative identified in the Garver Study. This project improves the west side of the Robinson Street Interchange at I-35. The preliminary estimate is higher than funds available in Fund 57 so there will be additional funding from the Capital Fund as well as federal funds.

The Public Safety Sales Tax (PSST) Fund was added to the CIP because the FYE 2016 Capital project expenses will be directly from this fund, not a transfer of PSST revenues to the Capital Fund as before. The sources for the FYE 2016 are revenue bonds that will be repaid with future PSST revenues. Projects include an Emergency Communications Center - \$500,000 in FYE 2016 and \$6,000,000 in FYE 2017 and an Emergency Communications System - \$600,747 in FYE 2016 and \$14,339,253 in FYE 2017.

The Community Development Block Grant (CDBG) Fund was added to the CIP because Capital projects are funded with a Capital Fund transfer to the CDBG Fund and repaid with a reimbursement from a CDBG-Disaster Relief grant. Staff said the CDBG Fund is for street projects in rural east Norman and projects in FYE 2016 total \$10,992,600 which is continued from FYE 2015 as follows:

- 84<sup>th</sup> Avenue East: Rock Creek Road to North End (\$354,600);
- 84<sup>th</sup> Avenue East: Tecumseh Road to Franklin Road (\$1,163,200);
- 96<sup>th</sup> Avenue East: Tecumseh Road to Arrowhead Road (\$1,163,200);
- 108<sup>th</sup> Avenue East: Etowah Road to State Highway 9 (\$3,475,000);
- 120<sup>th</sup> Avenue East: Etowah Road to State Highway 9 (\$1,016,000);
- Rock Creek Road: 108<sup>th</sup> Avenue S.E. to 120<sup>th</sup> Avenue S.E. (344,400); and
- Tecumseh Road East: 84<sup>th</sup> Avenue S.E. to 120<sup>th</sup> Avenue S.E. (3,475,600).

Ms. Krohmer said the City and County received a CDBG Disaster Relief (DR) grant in the total amount of \$22.83 million and highlighted the various projects.

City of Norman

Seven rural road projects  
12.3 miles of road rehabilitation  
\$12.05 million in Federal funds  
Three-year schedule of phased improvements

Cleveland County

Eight rural road projects  
27 miles of road rehabilitation  
\$10.77 million in Federal funds  
Three year schedule of phased improvements

Item 2, continued:

The Capital Fund proposed changes including adding \$25,000 to the Park Shelter and Restroom Maintenance Project, increasing the total project to \$35,000; thus, decreasing the Traffic Calming Project per Council by \$10,000 and proposing to postpone the Police Firearm Berm Replacement until FYE 2017 to allow Council more time to evaluate the project (\$120,000 engineering study).

Ms. Krohmer highlighted the Impact Projects underway and next phase of funding for the Capital Fund FYE 2016 Budget as follows:

- Facility Roofs, HVAC, Lighting in Municipal Buildings;
- City pavement overlays (Lindsey Street, Constitution Street, Imhoff Street, and Alameda Street);
- Indian Hills Road signals;
- Lindsey Street: 24<sup>th</sup> Avenue S.W. to Berry Road widening (2012 Bond);
- Downtown Improvements (Main Street);
- Railroad Quiet Zone;
- Rock Creek Road/12<sup>th</sup> Avenue S.E./Trailwoods signal;
- State Highway 9 widening from 36<sup>th</sup> Avenue S.E. to 72<sup>nd</sup> Avenue S.E.; ODOT to award bid May, 2015; and
- I-35 South – State Highway 9 and Lindsey Street Interchanges; ODOT continuing until June, 2017.

The Impact Projects, including both new and first year funding for the Capital Fund, include:

- Robinson Street west of I-35 (design);
- 36<sup>th</sup> Avenue N.W. - Indian Hills Road to City limits (design);
- Network Storage Infrastructure Expansion;
- City Fiber Infrastructure Expansion;
- Comprehensive Land Use Plan Update;
- Griffin Park Trail and Parking Lot;
- Highland Village Park Development;
- Franklin Road Bridge (2012 Bond Project);
- Main Street Bridge (2012 Bond Project);
- Southlake Park Development;
- Park Shelters New Construction;
- Sutton Wilderness Dam Repair; and
- Sutton Wilderness Trail.

Ms. Krohmer highlighted transportation funds received from FYE 2007 through FYE 2015, as well as those anticipated for Norman for Federal fiscal years 2016 through 2018. She said project readiness is critical in the score of a project and funding of pre-construction activities, e.g., engineering design, Right-of-Way (ROW) acquisition and utility relocations is critical for projects in FYE 2015 and beyond.

Staff highlighted Phases one (1) through eight (8) of the I-35/SH-9E and I-35/Lindsey Street interchanges. Staff highlighted the Downtown Main Street Improvements (DMSI) Project-West End (Transportation Enhancement) stating the project extends west of University Boulevard to the railroad tracks in conjunction with two other projects (STP-UZA project to interconnect traffic signals and upgrade lighting as well as the Water Line Replacement Project). Ms. Krohmer said the DMSI Project includes landscaping, sidewalks, American Disability Association (ADA) ramps, decorative lighting, stamped and colored asphalt, and cobblestone paving.

Councilmember Holman asked if the DMSI Project is being done so it will accommodate a future two-way and Mr. O'Leary said yes. Mayor Rosenthal asked the timeframe to complete the Implementation Study for a two-way and how will the Two-Way Study affect the DMSI Project as well as the Railroad Quiet Zone Project.

Item 2, continued:

Mr. O'Leary said Staff will bring forward a Two-Way Analysis contract as an agenda item for Council consideration on May 26, 2015. He said the Two-Way Study will take approximately nine (9) to 12 months, the DMSI Project is scheduled to begin construction in Winter 2015/Spring 2016, and the Railroad Quiet Zone will begin implementation in Fall 2015. He said Staff feels like the two projects can proceed without an ultimate decision regarding the Two-Way Study.

Mayor Rosenthal asked which railroad crossings are in the current project and said phasing may make sense and be needed. She said Acres Street going south includes approximately 13 or 14 railroad crossings. Mayor Rosenthal said if funding is limited and Council may want to focus on areas predominantly residential and/or central business district where this would impact quality of life and Mr. O'Leary said a quiet zone expert will be helping Staff with the implementation phase. The FYE 2016 Budget includes \$1.2 million for this project and Staff feels the projects numbers are fairly sound.

Councilmember Allison said he was concerned with money being spent on implementations/projects that would later be worthless when it comes to the two-way implementation and Mr. O'Leary said Staff shares this view as well. Mr. O'Leary said a lot of different projects are coming all at once that were not anticipated to happen in the same fiscal year but Staff is confident that the projects can happen together without any problems.

Mr. Francisco reminded Council that the five (5) year 2010 Street Maintenance Bond Project is currently paid off and was discussed at a recent Finance Committee meeting.

Ms. Krohmer provided a status update for the 2012 Transportation/Storm Water Bond Program as follows:

- Cedar Lane Road: 12<sup>th</sup> Avenue S.E. – ½ mile east of 24<sup>th</sup> Avenue S.E. - construction 90% complete;
- Lindsey Street: 24<sup>th</sup> Avenue S.W. to Berry Road – Design 75% complete; Phase 1 storm water complete; Phase 2 storm water underway; utility relocation underway; and Roadway Phase 1 bid to be received in November, 2015;
- Main Street Bridge: ½ mile west of 36<sup>th</sup> Avenue S.W. – Design 5% complete, R-o-W acquisition, and utility underway;
- Franklin Road Bridge: ½ mile west of 12<sup>th</sup> Avenue N.W. – Design complete, R-o-W acquisition and utility relocation complete, and Environmental Review underway;
- 12<sup>th</sup> Avenue S.E.: SH-9 to Cedar Lane Road – Design 40% complete;
- 24<sup>th</sup> Avenue East: Lindsey Street to Robinson Street – Design 40% complete;
- 36<sup>th</sup> Avenue N.W.: Tecumseh Road to Indian Hills Road – Design 40% complete; and
- Alameda Street: ½ mile east of 24<sup>th</sup> Avenue S.E. to 48<sup>th</sup> Avenue S.E. – Design 30% complete.

Ms. Krohmer provided a timeline for the Lindsey Street Bond (LSB) Project from 24<sup>th</sup> Avenue S.W. to Berry Road as follows:

- R-o-W acquisition is in progress and estimated to be complete by July, 2015;
- Utility relocation is in progress and estimated to be complete by November, 2015;
- Phase I bid opening by ODOT scheduled for November, 2015;
- Phase II bid opening by ODOT scheduled for March, 2015;
- Lindsey Street Phase I construction will begin April, 2016 and estimated to be complete by April, 2017; and
- Lindsey Street Phase II construction will begin August, 2016 and estimated to be complete by April, 2017.

Ms. Krohmer said ODOT is trying to combine the bid process/opening for Phase I and Phase II and asked Mr. O'Leary to expand on this issue. Mr. O'Leary said Staff was successful in acquiring a second federal transportation grant for a second year which will help keep the LSB Project on budget and on schedule. He said

Item 2, continued:

from the standpoint of the stakeholders, property owners, and merchants, the LSB Project will be one continuous construction project; however, the project will be bid in two (2) parts in order to acquire some additional federal funding.

Councilmember Jungman asked Staff about the proposed funding for the Robinson Street West Project. Mr. Francisco said it is a matching funding arrangement from the TIF Fund which is approximately \$454,000 this year for the design of the right-of-way work and matching funds from the Capital Fund. Councilmember Jungman asked if this is money “on hand” and Mr. Francisco said yes; however, at some point Council may request some of the TIF debt to be paid down with some of the TIF funds “on hand”. Councilmember Jungman said he would rather not utilize any TIF funds on the Robinson Street West Project and Mayor Rosenthal felt it is important to remember the Robinson Street West Project is a large project and estimated to cost \$6 million. Mr. O’Leary agreed stating that a TIF Fund match is making a federal transportation grant possible to do and complete this project. Mr. Francisco reminded Council that TIF Development Agreement No. One allocated \$1.4 million towards the Robinson Street West Project and Council can decide to pay more if they so desire.

Councilmember Holman asked how much was currently in the TIF Fund and Staff said approximately \$11 million. Councilmember Castleberry said the projected TIF Fund balance is \$13.1 and the TIF debt is \$13.4. He understands some of the TIF funds are from sales tax; however, some comes from property taxes. He suggested lowering the allocation percent to the Capital Fund and then putting the extra in the General Fund.

Councilmember Jungman said Council has had recent discussions about the General Fund balance and two suggestions were made; set up a Storm Water Utility and/or make changes to the UNP TIF Fund to put more of those sales tax monies into the General Fund. Mr. Francisco said this project is one of the original obligations in TIF Development Agreement No. One. Mayor Rosenthal said she understands Councilmember Jungman’s concern but agrees with Staff that this project was promised, it is a very important project, and to delay would be problematic which is shown from the recent traffic analysis of the area.

Councilmember Castleberry said Council may want to consider changing/lowering the allocation percentage for the Capital Fund and moving the difference into the General Fund.

Mayor Rosenthal felt there are many Capital projects that are not being funded and what really is needed is a Storm Water Utility to alleviate that burden on the General Fund.

Items submitted for the record

1. PowerPoint presentation entitled, “FYE 2016 Capital Improvement Projects Budget and FYE 2017-2020 Capital Improvements Plan (CIP),” dated April 28, 2015

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The meeting adjourned at 6:12 p.m.

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ATTEST:

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City Clerk

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Mayor