

FINANCE COMMITTEE MINUTES
January 12, 2017

The City Council Finance Committee of the City of Norman, Cleveland County, State of Oklahoma, met at 5:00 p.m. in the Municipal Building Multi-Purpose Room on the 12th day of January, 2017, and notice and agenda of the meeting were posted in 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: Members Heiple, Castleberry, and Mayor Miller

ABSENT: Member Chappel

OTHERS PRESENT: Aleisha Karjala, City Council Member
 Bill Hickman, City Council Member
 Kyle Allison, City Council Member
 Steve Lewis, City Manager
 Anthony Francisco, Finance Director
 Suzanne Krohmer, Budget Manager
 Jeff Bryant, City Attorney
 Ken Komiske, Director of Utilities
 Steve Hardeman, Utilities Manager
 Terry Floyd, Development Coordinator
 Gala Hicks, Director of Human Resources
 Travis King, Fire Chief
 Keith Humphrey, Chief of Police
 Major JD Younger, Norman Police Department
 Michael Graves, Garver Engineering
 Kyle Kruger, Garver Engineering
 Bill Scanlon, Member Public Safety Oversight Committee
 Joy Hampton, Norman Transcript
 3 Other Citizens

Chair Heiple called the meeting to order.

Item 1, being

UPDATE ON THE WATER RECLAMATION FACILITY, PHASE 2 IMPROVEMENTS,
AND POTENTIAL ADDITIONAL PROJECTS.

Ken Komiske and Michael Graves with Garver made the presentation. Ken stated that we started this project 2 years ago and we took some projects out and put them on hold due to not knowing if we would have the funds. These items that were put on hold are budgeted for now.

Michael Graves stated that as of December 31, 2016 we have completed 944 days of the original contract. The original contract amount is \$48,822,550 and is about 94% complete. The first

Item 1, continued:

project suggested in the proposed change order is for repair and improvement of the gravity thickeners. The next items suggested are the boilers, which are 30 years old and need to be replaced. Next is the grit classifier, which has recently failed. We need to remove the grit. Staff has already tried to repair the failed grit classifier but that did not succeed and we just need to replace it. The last items suggested are generator platforms. This would allow for the safe operation and maintenance of the 5 generators. All improvements are O&M related with the potential to create regulatory issues.

The proposed summary for this new work totals \$2.8 million dollars which would put the complete project total at \$51.9 million dollars. The change orders total would be 6.31% and the state law allows for a 10% change order on projects of this magnitude. The benefits to adding these projects to the existing contract would be eliminating the need to go through the process of bidding which would possibly save \$135,000 and 120 days. The construction engineering savings would be reduced by \$180,000. Contractor mobilization for a new contractor would be about \$150,000 more dollars. The time value of money would be about 4% and realistically about \$500,000 dollars could be saved by adding this to the existing contract. This would be an estimated savings of about 15-20%.

Council Member Allison asked whether this work and these projects were planned to be completed whether or not they were change ordered. Komiske stated that we wanted to call it an amendment to the contract but legally we have to call it a change order. Allison stated that the funds for this do not come from the General Fund and will not affect the downfall in sales tax.

Council Member Hickman asked if there was any concern about the state law concerning change orders and not bidding this out. Jeff Bryant, City Attorney, stated that this is well within the 10% the state law requires so we are comfortable with it.

Komiske stated that the gravity thickeners and the digester boilers were already budgeted for FYE 17 and the grit classifier broke which is abrasive to the equipment. The generator platforms will make the generators safer for the employees to work on. The grit classifier and generator platforms are not currently budgeted.

Items submitted for the record:

1. Norman WRF Phase 2 Improvements Additional Work Proposal

* * * * *