

CITY COUNCIL BUDGET RETREAT MINUTES

February 24, 2015

The City Council of the City of Norman, Cleveland County, State of Oklahoma, met in a Budget Retreat at 5:30 p.m. in the Municipal Building Conference Room on the 24th day of February, 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 48 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:

DISCUSSION REGARDING THE FYE 2016 CAPITAL BUDGET.

Mayor Rosenthal said she wanted to recognize Ms. Linda Price, Revitalization Manager, for her impressive 40 years of service to the City of Norman before turning over Capital Budget discussions to Staff. She said this will be the last Capital Budget that Ms. Price presents to Council as she will be retiring this Friday, February 27, 2015. Mayor Rosenthal said Ms. Price has been a distinguished leader for not only Norman, but the State, and she will definitely be missed. Ms. Price thanked the Mayor and said she appreciated the acknowledgment very much.

Ms. Price said tonight's discussion is to update Council on the FYE 2016 Capital Budget and the FYE 2017-2020 Capital Improvements Plan. She said Finance Staff assumptions have an increase of 2.5% in FYE 2016 and a 4.0% increase in FYE 2017-2020; however, both are lower than the historical 4.25%.

Ms. Price highlighted the funding sources for Fund 50 as follows:

- Capital Sales Tax (.7%);
- General Obligation Bonds;
- Public Safety Sales Tax;
- Interest Income;
- Grants; and
- Private.

Project Assumptions/Decreases in Costs and Postponements:

Ms. Price said after discussions between the Management Team, assumptions about which project and/or projects could be decreased in costs and/or postponed include:

- Postpone North Base Facility for Sand and Salt to FYE 2018 (\$475,000): recommended primarily due to the fact the City is about to embark on a facility assessment of North Base; therefore, it may be inappropriate to construct a building that may not ultimately be needed. The building is not an urgent need, but would have helped with timeliness when obtaining salt and/or sand during snow and ice control;
- Postpone Porter Street and Acres Street Intersection to FYE 2019 (\$250,000): the City is not ready for this project just yet as there are still on-going discussions about the proposal and specific details; and
- Delete funding for one (1) year:
 - o Alley Repair (\$200,000); behind schedule and some of the wear and tear has been reduced since Sanitation vehicles are no longer going down alleys;
 - o Concrete Valley Gutter (\$75,000); behind schedule and Staff is trying to catch up
 - o Traffic Calming (\$250,000); behind schedule and Staff is trying to catch up; and

Item 1, continued:

Project Assumptions/Decreases in Costs and Postponements, continued:

- o Neighborhood Plan Improvements (\$100,000): core areas neighborhood plan improvements that were adopted in the 2025 Plan and those that have been identified to date have been completed. She said there are several recommended neighborhood plan improvements that are being debated; however, there is a backlog of funds for the last couple of years and no point in adding more money to a project that is uncompleted.

Mayor Rosenthal asked whether the postponed projects, i.e., concrete valley gutter, traffic calming, etc., were scheduled and budgeted in prior years, but have yet to be completed and Ms. Price said yes, that is correct. Ms. Price said there are annual, on-going funding streams for these types of projects; however, if the City is behind schedule there is no point adding more to the budget at this time. Mayor Rosenthal asked whether these projects were done “in-house” or does the City hire a contractor to complete them and Ms. Price said they are done “in-house”.

Councilmember Miller asked if there will be money in the budget for future traffic calming projects since it is being recommended to be taken out of the FYE 2016 budget and Ms. Price said there will not be funding this year; however, there is approximately \$125,000 still in the traffic calming account that is left over from a couple of years ago. Ms. Price said several years ago Council made the decision if a project is not finished or it has not been started, the project will simply “roll over” to the following year. She said the funding for the projects does not go away or back into the pot to be used for other projects; the funding will stay in the budget until the projects have been completed, unless Council determines the project should be cancelled.

Project Assumptions/Project Cost Increases:

Ms. Price highlighted the project cost increases as follows:

- Indian Hills Road and I-35 Interchange Study (\$25,000);
- Main Street Downtown Enhancement Utility Relocation – Railroad to University Boulevard, includes replacing the old water line (\$412,000);
- Citywide Pavement Overlays – Lindsey Street, Constitution Street, Imhoff Street, and Alameda Street (\$150,000): this project was budgeted last year and in order to get it in the Transportation Improvements Projects (TIP) the City compromised to overmatch so more Federal funding could be obtained to complete the projects;
- 12th Avenue N.E. and High Meadows Drive Signal (\$60,000);
- Flood Avenue and Venture Drive Signal Design (\$5,000);
- Fire Station No. 1 Flooring (\$14,000); and
- City Phone System Replacement (VOIP) (\$205,000).

Mayor Rosenthal said the Main Street Downtown Enhancement (MSDE) Project has been around a long time and asked whether this was due to a cost increase or was it a new cost. Staff said it is a new cost because the City was not aware until recently that utility relocations were to be paid by the City. Mr. Shawn O’Leary, Public Works Director, said the City has secured \$1 million in grant funds this year for this streetscape project and replacement of the old water line has been identified; however, it is not currently funded. Councilmember Holman asked if this will include burying the overhead electrical lines and Mr. Angelo Lombardo, Transportation Traffic Engineer, said the only overhead facility that will be buried is the new lighting system.

Mayor Rosenthal asked Staff why the replacement of the old water line is not being completed with funds from the Water Fund and Mr. O’Leary said it certainly can be if Council directs Staff to do so. Mr. Ken Komiske, Utilities Director, said water line replacements are scheduled in priority of need and this particular water line was not placed as a priority. He said it made sense to replace the water line concurrently with the MSDE Project rather than wait until the water line begins failing.

Item 1, continued:

Councilmember Castleberry asked for the balance in the Water Fund and Mr. Anthony Francisco, Finance Director, said approximately \$44 million, most of which is committed to the Water Treatment Plant (WTP) Project.

Councilmember Castleberry asked how much of the Water Fund has been encumbered to the WTP Project and Staff did not know the exact figure at this time. Ms. Price said Staff discussed this added increase to the MSDE and is requesting Council's guidance as to what fund will be used to pay the added costs. Councilmember Castleberry said he would like to know if it would be feasible for the Water Fund to bear the cost of replacing this particular water line and if so, what the impact, if any, would be on Water Fund. Mayor Rosenthal said one point to remember, if this water line replacement is determined to be paid using monies from the Water Fund, then another priority water line replacement will not be completed. Councilmember Lang said he would like to know what priority/water line will be traded in order to do the downtown water line replacement and he felt Council needed to be very careful when using monies from the Water Fund that have been earmarked for other projects.

Councilmember Castleberry asked the amount of the original City Phone System Replacement (VOIP) contract and Mr. Tim Powers, Information Technology (IT) Director, said the cost was approximately \$600,000. Mr. Powers said this is the third year payment of a three-year contract, not an over-budget item.

Ms. Price said Council directed three projects be funded at the mid-year budget review and highlighted the projects as follows:

Mid-Year Budget Review:

- Main Street/Gray Street 2-way Implementation Study (\$100,000) (FYE2015): previously in FYE2016;
- Downtown and Campus Corner Parking Study Update (\$120,000) (FYE2015): previously in FYE2016; Councilmember Miller asked if funding is available and Mr. O'Leary said yes. Mayor Rosenthal said this particular study, as well as the Main Street/Gray Street 2-way Implementation Study, are important to the Center City Visioning Plan that defer to the Comprehensive Plan Update; and
- Comprehensive Plan Update (\$500,000) (FYE2016).

Ms. Price said the following proposed new infrastructure projects are based on the City's available resources and include:

Proposed New Infrastructure Projects:

- Comprehensive Plan Update (\$500,000);
- Robinson Street West of I-35 Right-of-Way Acquisition and Utility Relocation (\$318,483): Staff said this project includes moving the intersection to make traffic flow more smoothly and \$1.1 million will be funded from the Tax Increment Finance (TIF) Fund for the project design; however, this amount needed is from the Capital Fund. Councilmember Castleberry asked why the \$318,483 is not coming from the TIF Fund and Mr. O'Leary said Staff secured \$3.4 million in Association of Central Oklahoma Governments (ACOG) funding last month for this project; therefore, the project is being moved forward. Mr. O'Leary said the \$318,483 is the City's portion of the project to (primarily) relocate the waterline and the City does not want to jeopardize losing any of the approximately \$4.5 million in total ACOG and TIF funding if the project had to be put on hold;
- 36th Avenue N.W.: Indian Hills Road to City Limits (\$168,000): Councilmember Holman asked if this project would be widening this portion of 36th Avenue N.W. to four (4) lanes and Mr. O'Leary said yes. Mr. O'Leary said the 2012 Bond Program included two (2) miles of improvements for 36th Avenue N.W., from Tecumseh Road to Indian Hills Road; therefore, only one-quarter (¼) mile was left to complete the improvements to the City limits. He said Staff was approached by the City of Moore wanting to advance improving the remainder of Telephone Road in their city to a four (4) lane road and doing so would leave a gap between Norman and Moore.

Item 1, continued:

Proposed New Infrastructure Projects continued:

Staff is suggesting this gap be included the design process. Councilmember Castleberry asked if the City of Moore would be assisting Norman for this endeavor and Mr. O'Leary said Staff is working on this but to have a more consistent design without gaps would make more sense. Staff said there are also development fees that have been submitted to be used in the project;

- 36th Avenue N.W. and Crail Drive Traffic Signal (\$40,000);
- Feasibility Study North Base Facility (\$80,000);
- McKinley Elementary School Zone Upgrade (\$15,000): Paved driveway on west side around to the south side of the school. Mr. Lombardo said this is an upgrade of the signage on Flood Avenue and the principal at McKinley Elementary contacted the City last year with concerns and issues of school children crossing around the Cruce Street intersection. He said Staff came up with this design that would add active devices on the warning signs to include LEDs on the existing signage perimeter that would be activated when school children approach the crosswalk.
- Overhead Recirculation Fans for Fleet (\$40,000): industrial size eight (8) foot fans to include any electrical installation needed to assist with heat during the summer. Councilmember Allison asked if the fans are portable and Staff said yes, the fans can be moved from site to site, if necessary;
- Exterior Door Replacement at 201 West Gray (\$100,000): Ms. Brenda Hall, City Clerk, said this project will address the on-going issue(s) with the doors not locking properly. She said Staff has been told the doors installed during construction of the building in 1999 were not appropriate; however, a contractor has recently worked on one set of doors (there are four sets of doors total, exterior and interior) and appears to have addressed the issue of the doors closing and locking properly. Ms. Hall said this project will be released if the rehabilitation solution takes care of the issue;
- Library Automatic Sliding Doors Replacement (\$42,000);
- Westwood Clubhouse Roof Replacement (\$275,000);
- Norman Investigation Center (NIC) Flat Roof Portions – Resurface and Leak Repair (\$150,000): Mayor Rosenthal said Public Safety Sales Tax (PSST) Funds were used during the initial remodel of the NIC and asked Staff whether or not PSST funds were considered for this project. Ms. Price said Staff did not discuss using PSST funds because Council has already earmarked projects using the PSST funds.
- City Data Center Storage (\$467,000): Staff said this is a three (3) year project and will include fire suppression. Ms. Price said the requested amount will need to be added to the budget for three (3) years. Councilmember Castleberry asked if this is transferrable to new/future Emergency Operations Center (EOC) and Mr. Robert Gruver, Network Administrator, said yes, once the EOC is in place, the primary data center storage will be moved to EOC. Mr. Gruver said the City currently has a secondary storage unit located at the Streets Division that will likely be moved to the EOC as well.
- City Fiber Infrastructure Repair and Expansion (\$120,000): Staff said future recommendations for additional funding will be higher than this fiscal year's request;
- Fire Administration Office Security (\$7,000);
- Fire Station No. 2 Fencing (\$13,000);
- Fire Station No. 6 Replacement of Driveway with Reinforced Concrete (\$40,000);
- Exhaust System Upgrade for Fire Station No. 1 through Fire Station No. 7 (\$14,000): Staff said Fire Station Nos. 8 and 9 were constructed using different exhaust systems and the systems are very effective. Councilmember Holman said Fire Station No. 3 was not very old and Ms. Price said new and better technology came about during the construction of Fire Station Nos. 8 and 9;
- Police Firearm Berm Replacement Engineering (\$120,000): Councilmember Williams said this is a large figure and asked if it included construction. Mr. Keith Humphrey, Police Chief, said the area is in the Canadian River Floodplain and this figure is for an engineering feasibility study. He said this is the firing berm at the Lt. Weddle Firing Range which has eroded over the last 40 years. Ms. Price said the total budget is approximately \$2.1 million over the next two (2) years. Councilmember Castleberry said he has an issue with the cost of this project and felt there are other projects that should take priority, i.e., sidewalks, SWMP, etc.

Item 1, continued:

Proposed New Infrastructure Projects continued:

Mayor Rosenthal said she would like to bring the entire renovation project with a full Staff presentation to the appropriate Council Committee to determine if the project can be done and before funds are appropriated;

- NIC Auditorium Upgrade (\$5,000): Chief Humphrey said the first half of the space was initially done during the NIC remodeling and the facility is already being heavily used. He said this is the second half of the space and will primarily be Information Technology (IT) equipment, i.e., projectors, lighting, etc.;
- Sutton Wilderness Trail Grant Match (\$40,000): This project is in the Parks Master Plan and Council gave Staff direction to begin implementing projects in the Parks Master Plan;
- Griffin Park Trail and Parking Lot Construction (\$120,000): this project is in the Parks Master Plan;
- New Park Shelters – Sunrise Park (\$40,000): this project is in the Parks Master Plan;
- Whittier and Irving Tile Floor Replacement (\$32,000);
- Senior Citizen Center Floor Replacement and Painting (\$58,000): the floor is not in good shape and is a possible tripping hazard; and
- Park Shelter and Restroom Maintenance (\$10,000): fixture replacement, roof replacement, vandalism repair, etc.; this will be an ongoing annual budget item.

Councilmember Miller asked about budgeting funds for the Library bathrooms and Ms. Hall said there is currently a project addressing American Disabilities Act (ADA) issues which should also address some of her concerns.

Councilmember Williams asked whether \$10,000 annually would keep the City parks maintained, i.e., bathroom and/or vandalism repair, etc., and said he personally would like to see a larger figure be set aside for this issue.

Councilmember Castleberry said he would like to see some of the traffic calming budget to be used for park shelters and restroom maintenance stating it would directly benefit Norman citizens. Mayor Rosenthal said you are proposing to re-allocate some of \$125,000 Traffic Calming budget to be used for Park related issues; however, the Traffic Calming budget addresses other issues besides speed humps and wanted to make certain those items would still be done. Mr. O'Leary said Staff has not received very many neighborhood applications for speed humps but have received a few requests for signage, etc. Mr. Lombardo said recently the City installed some permanently mounted speed feedback signs in the Hall Park area, which cost approximately \$5,000 each. He said the City's *portable* speed feedback units will not be affected as they are already owned by the City.

Mayor Rosenthal said Council has discussed looking at reconfiguration of school area drop-offs, etc., and would like the City to have an on-going evaluation for structural designs at our schools. She said other than McKinley, she did not see other projects and Council agreed, stating there are issues at Jackson, Monroe, Lincoln, Washington, and Whittier. Mr. O'Leary said Staff will reach out to the schools.

Mayor Rosenthal asked who is responsible for replacing damaged sod that the City had installed during the McKinley School Project. The damage was caused by school parking. Public Works staff said they would look into the issue.

Mayor Rosenthal said in light of Ms. Price's comments regarding delaying future projects to allow time to get caught up on existing projects, she would like for the Finance Committee to discuss whether too many projects are being budgeted or scheduled and/or whether adjustments on projects need to be considered.

Councilmember Castleberry asked Staff if there are any projects included that had been identified in the Storm Water Master Plan (SWMP) and said he would like to add some of the smaller SWMP projects.

Item 1, continued:

Mr. O'Leary said Staff does try to address SWMP projects when funds are available and said there is approximately \$245,000 in neighborhood drainage projects that generally fall outside the SWMP. Also, Staff will attempt to address storm water issues when funds are available, such as some of the upstream issue(s) that were present in the Main Street Bridge Project. Councilmember Castleberry said there are eight (8) SWMP projects that are \$150,000 or less and four (4) that are \$50,000 or less. He would like to start knocking out some of the \$50,000 SWMP projects and Mr. O'Leary said Staff can bring those back for discussion but agreed with Mayor Rosenthal's statement earlier regarding the possibility of planning too many projects, thus getting behind schedule.

Councilmember Jungman asked the status of the Railroad Quiet Zone Project and Mr. O'Leary said it is in the FYE 2016 budget.

Items submitted for the record

1. PowerPoint presentation entitled, "Capital Fund 50, FYE 2016 Capital Budget, FYE 2017-2020 Plan"

The meeting adjourned at 6:22 p.m.

ATTEST:

City Clerk

Mayor