

CITY COUNCIL STUDY SESSION MINUTES

November 19, 2019

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 19th day of November, 2019, and notice and agenda of the meeting were posted at the Municipal Building at 201 West Gray 48 hours prior to the beginning of the meeting.

PRESENT: Councilmembers Bierman, Carter
(arrived 7:20 p.m.) Hall, Holman,
Petrone, Scanlon, Scott, Wilson, Mayor
Clark

ABSENT: None

Item 1, being:

DISCUSSION REGARDING THE FYE 2021 CAPITAL IMPROVEMENTS PROGRAM BUDGET AND THE FYE 2022-2025 CAPITAL IMPROVEMENTS PLAN.

Mr. Anthony Francisco, Director of Finance, said tonight Council will be updated on funded projects and Council priorities. He said based on discussion tonight, proposed new projects will be reviewed on February 18, 2020, with a review of the final proposed Capital Improvements Plan (CIP) on April 21, 2020.

Mr. Francisco said the purpose of the CIP is to support services of municipal governments and projects are identified in Long Range Master Plan reviewed by citizens and adopted by Council (land use, transportation, parks, water, wastewater, greenways, stormwater, etc.). When priorities are set, short range needs go into a one-year adopted capital budget and long range needs go into a five-year Capital Plan along with proposed schedules of implementation and available funding sources. The CIP and other budgets are adopted annually, but only the one-year budget allows appropriation of funds so emergencies and high priority unanticipated project needs can be added. He said sources of funding include enterprise revenues, voter approved general obligation bond proceeds, intergovernmental grants, private funds, and capital sales tax.

Mr. Francisco said a capital project generally costs more than \$100,000; is relatively fixed or permanent in nature; is an asset with an expected life span of more than five years; usually consists of the construction of new, expanded, or improved tangible assets; often takes more than one fiscal year to complete; and contracted services for design, land acquisition and utility relocations may be required in advance of construction.

Mr. Francisco explained that Capital outlay is expenses for maintaining or purchasing new or replacing tangible assets which have an expected life of one to five years, is a one-time occurrence and expense that usually occurs within a single fiscal year to include vehicles, furniture, computers,

and equipment. He said Capital outlay paid by the Capital Fund is expended from the General Fund and Westwood Fund with capital sales tax funds transferred to cover the cost.

Mr. Francisco highlighted all funds included in the CIP Budget as follows:

Special Purpose Capital Funds

- Public Safety Sales Tax (PSST) Fund
- Community Development Block Grant (CDBG) Fund
- Special Grants Fund
- Room Tax Fund
- Public Transportation and Parking Fund
- Capital Fund (Pay-As-You-Go or PAYGO)
- Capital Fund (General Obligation Bonds)
- NORMAN FORWARD Sales Tax Fund
- Park Land Development Fund
- University North Park Tax Increment Finance (UNPTIF) District Fund
- Arterial Road Recoupment Fund

Enterprise Funds

- Water Fund
- Water Reclamation Fund
- Sanitation Fund
- Sewer Maintenance Fund
- New Development Excise Tax Fund

Sources of revenue for all funds in FYE 2019 through FYE 2020 included grants – 1.54%; private funding - .28%; Community Park Fee - .04%; User Fees – 24.75% Capital Improvement Charge - 92%; Sewer Maintenance Rate – 4.59%; Sewer Excise Tax - .66%; Capital Sales Tax – 19.08%; Tax Increment Financing – 2.02%; Public Safety Sales Tax – 4.78%; NORMAN FORWARD Sales Tax – 6.02%; Room Tax - .15%; and Bonds – 35.18% for total revenues of \$238,073,653.

Mr. Francisco said the Capital Improvements Fund (CIF) was established in 1976 to account for capital projects funded by capital sales tax receipts, general obligation bond issues, or specific matching funds, i.e., private and reimbursement. He said these projects support services that do not have dedicated special revenues like Enterprise Funds. Those projects relating to Enterprise Funds, funded with fees and charges, or special revenue sources are accounted for in their respective Enterprise Funds. He said 70% of one percent (0.7%) of sales tax is set aside for capital improvements for the Capital Fund and those approved projects for construction with this funding are accounted for in the CIF.

The capital sales tax guidelines to allocate revenue include existing facility maintenance – 5%; general contingency – 7%; Capital Outlay – 27%; street maintenance – 25%; and other projects and debt service – 36%.

Mr. Francisco highlighted the status of the CIF as follows:

- Capital Fund PayGo
 - FYE 20 estimated available for new projects is \$661,627
 - FYE 21 projected available for new projects is \$2,663,477
 - FYE 22 projected available for new projects is \$3,515,294
- Capital Fund Bonds
 - Bond reserves are unbalanced – some positive and some negative, evaluating how to balance those currently unbalanced

Mr. Francisco highlighted significant completed projects (work is finished but not all bills have been paid) in FYE 20 that include:

- James Garner Avenue, Phase I – Acres Street and James Garner Avenue Intersection - \$1,870,500; Rock Creek Road from 24th Avenue N.E. to 60th Avenue N.W. Rural Road Projects - \$575,000; Total Maximum Daily Load (TMDL) and Monitoring Plan Implementation, Year Three - \$300,000;
- Sidewalks and Trails on 24th Avenue N.E. - \$85,000;
- Community Development Block Grant Disaster Relief (CDBG-DR) Grant Infrastructure Projects - \$85,000; and
- West Main Street Bridge (Ten Mile Flat Creek) - \$328,400.

Mr. Francisco said the amount of project costs outweigh the amount of General Obligation (GO) Bonds right now, primarily related to the 2012 GO Bond Program; however, the Public Works Department has a pretty detailed and useful plan on how they intend to address that in the future. He said some completed projects have come in under budget so once those projects have been completed the funds can be used for other G.O. Bond related projects.

Significant projects underway in FYE 20 include:

- Transit/Parks/Emergency Vehicle Maintenance Facility - \$6 million (PSST-\$800,000/Transit-\$3 million/NORMAN FORWARD-\$2.2 million);
- Asp Avenue Parking Lot - \$934,000; Legacy Park Parking Lot - \$175,000;
- TMDL Compliance and Monitoring Plan Implementation, Year Four - \$300,000;
- Fire Station No. 9 (finishing small miscellaneous small items) and Fire Administration Building Renovation – 85% complete;
- Comprehensive Land Use and Transportation Plan Update;
- West Main Street Bridge Bond Project - \$4,547,000;
- 24th Avenue East Bond Project - \$14,938,870;
- 24th Avenue N.W. and Tee Drive Intersection - \$1,475,000; and
- State Highway 9 (SH-9) Multi-Modal Path between 36th Avenue East and 48th Avenue East - \$950,700.

Councilmember Wilson asked if an entrance into Saxon Park can be constructed with the SH-9 Multi-Modal Path construction at 36th Avenue East and Mr. Shawn O’Leary, Director of Public Works, said he will work with the Parks Department regarding that request.

Projects under construction in FYE 20/21 include:

- Animal Welfare Heat and Air System (HVAC) - \$250,000;
- Municipal Complex Renovation - \$9,488,743;
- 24th Avenue East Bond Project - \$14,938,870;
- Legacy Trail Extension along 24th Avenue N.W. and 36th Avenue N.W. - \$980,500;
- 36th Avenue N.W. Utility Relocation - \$17,950,000;
- I-35 and Robinson Street (west side) - \$5,300,000;
- 12th Avenue N.E. Traffic Signal Interconnect from Alameda Street to Robinson Street - \$293,000;
- Classen Boulevard Sidewalks - \$229,296;
- Porter Avenue Sidewalks from Gray Street to Acres Street - \$250,000;
- Porter Avenue Streetscape - \$2,471,000; and
- Jenkins Avenue Bond Project - \$9,600,000

Councilmember Wilson asked why the Animal Welfare HVAC Project is being done since the system is only about five years old and Ms. Brenda Hall, City Clerk, said the City has been funding emergency repairs for the system for quite a while and Staff decided it would be better to replace portions of the system. Councilmember Bierman said it is because the facility is located so close to the Wastewater Treatment Plant, parts of the system keep getting corroded from chemicals so any new parts need be coated for protection. Councilmember Wilson asked if the City has pushed back on the contractor that installed the system and Ms. Hall said yes, but that was not successful.

Councilmember Holman said the 24th Avenue East Project is more geographically complicated than other projects and asked why the 36th Avenue N.W. Project costs \$3 million more and Mr. Scott Sturtz, City Engineer, said 36th Avenue N.W. has a couple of large creek crossings to deal with as well as intersection improvements at Franklin Road. He said the intersection improvements alone cost \$2 million.

Councilmember Bierman asked for more information on the 12th Avenue N.E. Traffic Signal Interconnect Project and Mr. Angelo Lombardo, Transportation Traffic Engineer, said the City is replacing the copper wire with fiber optics to allow traffic signals along 12th Avenue to “talk to each other” in the future. Mr. O’Leary said once the Traffic Management Center (TMC) is constructed, the City will have inter-connective traffic signals ready for operation.

Mr. Francisco highlighted current projects that include Walnut Road Urban Reconstruction; Stubbeman Avenue Urban Concrete; Dakota Street Urban Asphalt; 108th Avenue N.E. Rural Road; 24th Avenue East Widening; 36th Avenue N.W. Widening between Tecumseh Road and Indian Hills Road; I-35 and Robinson Street (west side); and Porter Avenue and Acres Street Intersection.

The PSST projects underway in FYE 2019-2020 includes Emergency Radio Communications – final acceptance and cleanup (\$15,000,000); Emergency Communications Center – design complete (\$6,451,500); and Fire Apparatus Replacement, Year Three (\$725,000). Mr. Francisco highlighted the PSST Fire Apparatus Replacement schedule as construction of elevated platform

in FYE 2016 - \$1,105,943; Fire Engine in FYE 2017 - \$523,853; Fire Engine in FYE 2018 - \$622,079; Pumper/Tanker in FYE 2019 - \$724,974; Pumper/Tanker in FYE 2020 – amount to be determined; and Fire Apparatus in FYE 2021 – amount to be determined.

The NORMAN FORWARD Sales Tax Fund (NFST) completed projects in FYE 2019-2020 include the Central Branch Library; Westwood Tennis Indoor Facility; Prairie Creek Park Renovation (Neighborhood Plan); and Songbird Park Construction (New Neighborhood Park).

NORMAN FORWARD projects underway in FYE 2019-2020 include Andrews Park improvements; Griffin Park remodel; Indoor Aquatic Facility; Indoor Multi-Sports Facility; Community Sports Park (adult softball and football); Reaves Park Baseball/Softball Complex; Neighborhood Park improvements (Rotary Park, Earl Sneed Park, Monroe Park, and High Meadows Park); New Neighborhood Park development (Southlake Park); Ruby Grant park development; James Garner Avenue – Flood Avenue to Acres Street; and the Senior Wellness Center.

NORMAN FORWARD upcoming projects in FYE 2020-2021 include Griffin Park remodel - \$1,750,000; Neighborhood Park improvements - \$500,000; New Neighborhood Park - \$700,000; lease payments for Griffin Park - \$80,000; New Trail Development throughout Norman - \$2,500,000; Senior Wellness Center - \$3,420,000; Ruby Grant Park - \$2,000,000; and Saxon Park development - \$600,000.

Mr. Francisco said NFST issues include a shortfall in sales tax revenues. He said on the continuing advice of the Citizen’s Financial Oversight Board and direction of Council, Staff will restructure a mix of debt-financed pay-as-you-go (PayGo) projects to reduce interest costs, continue to seek project cost savings to be applied to future project budgets, continue to seek supplemental funding sources, and annually re-evaluate operational costs funded by NFST.

Mr. Francisco highlighted the FYE 2017-2021 Street Maintenance G.O. Bond Program in the amount of \$25 million that includes the following:

- Street Maintenance (Year One) FYE 2017
 - Urban Asphalt Pavement (100% complete)
 - Urban Concrete Pavement (100 % complete)
 - Rural Road Rehabilitation (100% complete)
 - Urban Road Reconstruction (100% complete)
- Street Maintenance (Year Two) FYE 2018
 - Urban Asphalt Pavement (100% complete)
 - Urban Concrete Pavement (95% complete)
 - Rural Road Rehabilitation (95% complete)
 - Urban Road Reconstruction (100% complete)
- Street Maintenance (Year Three) FYE 2019
 - Urban Asphalt Pavement (75% complete)
 - Urban Concrete Pavement (50% complete)
 - Rural Road Rehabilitation (100% complete)

- Urban Road Reconstruction (95% complete)
- Street Maintenance (Year Four) FYE 2020
 - Urban Asphalt Pavement (under construction)
 - Urban Concrete Pavement (under construction)
 - Rural Road Rehabilitation (Spring 2020 construction)
 - Urban Road Reconstruction (under construction)

Mr. Francisco said the 2012 Transportation/Stormwater Bond Program include the:

- Cedar Lane Road: 12th Avenue S.E. to one-half mile east of 24th Avenue S.E. - \$10,048,310 (completed);
- Lindsey Street: 24th Avenue S.W. to Berry Road - \$42,135,770 (completed);
- Franklin Road Bridge: one-half mile west of 12th Avenue N.W. - \$4,219,680 (completed);
- 12th Avenue S.E.: State Highway 9 to Cedar Lane Road - \$3,393,780;
- Main Street Bridge: one-half mile west of 36th Avenue S.W. - \$7,038,000 (completed);
- 24th Avenue East: Lindsey Street to Robinson Street - \$14,938,870 (began construction in Fall 2019 with estimated completion in Fall 2020);
- 36th Avenue N.W.: Tecumseh Road to Indian Hills Road – amount of be determined;
- Alameda Street: one-half mile east of 24th Avenue S.E. – amount to be determined.

He said the total bond budget is \$89,502,700 with estimated actual costs to date of \$66,835,540.

The 2019 Transportation Bond Projects for FYE 2020-2021 consist of :

- Porter Avenue and Acres Intersection Improvements - \$3,675,000;
- Constitution Street: Jenkins Avenue to Classen Boulevard - \$2,643,260;
- Porter Avenue Streetscape - \$2,471,000; and
- Jenkins Avenue: Imhoff Road to Lindsey Street - \$9,601,000

Mr. Francisco said the City did not receive federal matching funds for these projects in FYE 20 due to a change in the project ranking system so these projects have been on hold. He said the ranking system was changed back due to the efforts of Mayor Clark and Staff so the City is expecting to receive the federal matching funds in FYE 21.

He said the City Vehicle Replacement Program replaced 42 units in FYE 2016 - \$2,316,765; 35 units in FYE 2017 - \$3,046,969; 27 units in FYE 2018 - \$2,383,036; 29 units in FYE 2019 - \$2,045,471; and 35 units in FYE 20 - \$1,937,394.

He said significant projects in the FYE 21 Room Tax Fund include Firehouse Art Center addition - \$100,000 (City match) and Historic Museum parking - \$55,000 with remaining debt on 2002 Norman Municipal Authority (NMA) Golf Course Bonds retired June 1, 2022.

Upcoming significant CIF projects include 36th Avenue N.W.: Tecumseh Road to Indian Hills Road Widening - \$2,000,000; Jenkins Avenue: Imhoff Road to Lindsey Street Widening and Reconstruction - \$7,371,060; Porter Avenue Streetscape - \$1,911,164; and Constitution Street: Jenkins Avenue to Classen Boulevard Reconstruction - \$1,016,466.

Upcoming Capital Project Fund recurring sidewalk projects in FYE 2020-2021 include Sidewalk program for schools and arterials - \$80,000; Sidewalk Accessibility Project - \$30,000; Citywide Sidewalk Project (50/50 repairs) - \$50,000; Downtown Area Sidewalk Project - \$50,000; Sidewalks and Trails - \$120,000; and Horizontal Saw Cut Program - \$40,000 for total expenditures of \$370,000.

Upcoming Fund 50 Capital Projects in FYE 2020-2021 includes Capital Outlay - \$3,809,063; Street Maintenance - \$2,305,377; Maintenance of Existing Facilities - \$185,000; Stormwater Draining Maintenance - \$765,000; Personnel - \$1,297,361; Oklahoma Department of Transportation (ODOT) Audit Adjustments - \$100,000; Americans with Disabilities Act (ADA) Sidewalk Compliance and Repair - \$100,000; Bridge Maintenance - \$100,000; Driveway Repairs - \$10,000; Street Striping - \$100,000; Traffic Calming - \$50,000; Greenbelt Acquisition - \$50,000; Community/Neighborhood Improvements - \$100,000; and Building Maintenance Mechanical/Electrical - \$50,000.

Mr. Francisco said upcoming budget challenges include the I-35 Corridor Study; website/mobile app upgrade during Enterprise Resource Planning (ERP) upgrade; Regional Transit Authority (RTA); Public Transit and Parking (Bus Maintenance Facility, Bus Transfer Station, replacement buses, and Parking Study in Downtown and Campus Corner); new traffic signals on State highways and City arterials; Norman Regional Health System (NRHS) Porter Campus potential land sale; fleet replacement; Fire Station No. 10 (southeast Norman); bridge maintenance; NORMAN FORWARD potential shortfall (Senior Center, Indoor Aquatic Center/Multi-Sports Facilities, and Adult Softball and Football Complex); and The Vineyard Storm Drainage Project.

Next steps include discussion on proposed new projects on February 18, 2020, and review of final proposed Capital Budget for FYE 2021 and CIP for FYE 2022-2025 on April 21, 2020.

Councilmember Carter asked about Thee Vineyard Storm Drainage Project and Mr. O'Leary said this is a repetitive flooding area that includes damage to homes. He said last year Council asked Staff to design a solution to the flooding problem using Capital Funds and Staff has done that. He said the solution is a \$600,000 project to rebuild the stormwater retention basin, which is not currently budgeted. He said this is a unique project because the City has never gone into a private development and spent money on their stormwater retention basins.

Councilmember Wilson asked why the developer is not being held responsible for the repairs Councilmember Scanlon said the area was developed 25 years ago so the developer is long gone and at the time of development, the City's Engineering Design Criteria was inadequate. He felt the only recourse property owners have is through the City because the City has an easement on the property. He said as a homeowner he should have every right to expect that the permit process of the City protects property owners from this type of issue, but that did not happen. He said his home has suffered multiple flooding events and he has spent a thousands of dollars on repairs, but can no longer do that so property owners have no alternative but to turn to the City for a solution. He said he has a house he cannot sell and his flood insurance premium went from \$400 per year to \$2,200 per year so he is very frustrated about the situation. He said this is a public safety issue

due to the torrent of water that passes through the development during rain events which could sweep a child away.

Councilmember Petrone asked how much it would cost to repair the Summit Lakes Dam and Mr. O’Leary said approximately \$700,000.

Councilmember Petrone said it bothers her that Ward 7 residents living on Post Oak Road (Indian Springs Estates) cannot get out of their addition if a train stops on the railroad tracks, which seems to be a common occurrence. She asked if Staff could find a solution for that and associated costs. Mr. O’Leary said Staff researched that addition and found an existing easement between Indian Springs Estates and Cobblestone Creek Addition, which gives those residents the space to build an access road. He said Staff would like to meet with the Indian Springs Estates residents to discuss steps they can take to build that access road as well as coordinate discussions with residents of Cobblestone Creek Addition regarding the access road.

Councilmember Petrone said she would like add a placeholder of \$75,000 in next year’s budget for a potential day/warming/emergency shelter for the homeless community.

Councilmember Bierman said in older portions of Ward 1, there are no ADA accessible curbs or sidewalks and asked Staff to keep that in mind if funds become available. Mr. O’Leary said Council will be reviewing the Maintenance Bond Program in 2020 and sidewalks with accessibility are just the type of projects that fit into that program.

Councilmember Holman said a pedestrian sidewalk crossing the railroad tracks at Brooks Street and Classen Boulevard is needed. Mr. Sturtz said the new design of the railroad crossings created by Burlington Northern Santa FE (BNSF) Railroad makes it very cost prohibitive for construction of sidewalks, but Staff is working with them on a solution.

Items submitted for the record

1. PowerPoint presentation entitled, “FYE 2020 Capital Improvement Program Budget Status – Preparation of FYE 2021 Capital Improvement Plan – Preparation of FYE 2022 – 2025 Capital Improvements Plan”

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The meeting was adjourned at 7:47 p.m.

ATTEST:

City Clerk

Mayor