

## CITY COUNCIL STUDY SESSION MINUTES

May 21, 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 21st day of May, 2019, 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 Bierman,  
Castleberry, Clark, Hickman, Holman,  
Scott, Mayor Miller

**ABSENT:**

Councilmembers Carter and Wilson

Item 1, being:

### DISCUSSION REGARDING THE PROPOSED FYE 2020 CITY OF NORMAN BUDGET AND CAPITAL BUDGET FOLLOW-UP.

Ms. Jane Hudson, Interim Director of Planning and Community Development, said tonight Council will review proposed amendments to the FYE 2020 Capital Budget as well as the FYE 2021–2024 Plan. She provided an overview of the FYE 2020 budget meeting schedule that included an update on funded projects and discussion of Council priorities on November 20, 2018; proposed new projects on February 26, 2019; and review of final proposed plan for FYE 2020 on April 23, 2018.

Ms. Hudson said the Community Development Block Grant (CDBG) projects approved by Council in May 2019, consisted of Original Townsite Street Improvements - \$185,000; CDBG Target Area Tree Planting Project - \$50,000; and CDBG Land Acquisition \$100,000.

The Public Safety Sales Tax (PSST) Bond Debt Service will be reassigned from the Capital Fund to the PSST Fund in the amount of \$2,357,717, the Capital Fund will reassign \$807,289 to the PSST Fund to purchase capital equipment, and \$313,813 will be transferred from the Capital Fund to PSST to show a positive fund balance in FYE 20.

Ms. Hudson said the Flood Avenue Multi-Modal Path Project in the amount of \$150,000 will be removed from the Capital Fund because it will be included in NORMAN FORWARD projects. The Street Division North Base Facility in the amount of \$500,000 will be postponed to FYE 22 pending results of the North Base Campus Study and the Thunderbird Total Maximum Daily Load (TMDL) Study in the amount of \$300,000 will be postponed to FYE 21.

Ms. Hudson said one amendment proposed for the Capital Fund Preliminary Budget for FYE 20 includes trucks for the Public Works Department in the amount of \$612,138. Ms. Hudson said projects that have been postponed include Flood Avenue Sidewalk - \$62,500; McGee Avenue Sidewalk - \$64,000; Classen Boulevard Sidewalk - \$58,000; 36th Avenue N.W. and Tecumseh

Road - \$100,000; Flood Avenue and Venture Drive - \$80,000; Rock Creek Road: 12th Avenue N.W. to Trailwood Drive - \$700,000; Rock Creek Road: Grandview Avenue to 36th Avenue N.W. - \$497,000; and 36th Avenue N.W.: Tecumseh Road to Indian Hills Road Widening - \$2 million.

Ms. Hudson highlighted the Capital Fund Budget for FYE 20 as follows:

• Estimated Beginning Fund Balance	\$20,793,281
• Estimated New Revenue	\$34,375,548
• Proposed Expenditures	\$32,790,548
• General Contingency Reserve (7%)	\$ 948,553
• Senior Center Reserve	\$ 261,770
• Reserves for Bond Projects	\$15,961,972
• Estimated PayGo (New Projects)	\$ 5,205,400
• Ending Fund Balance	\$22,378,695

New FYE 20 proposed projects funding includes the following:

- Informational Technology (IT) Department
  - City File System Hardware Replacement - \$400,000
- Parks Department
  - Little Axe Sports Complex - \$150,000
  - Pickle Ball - \$120,000
- Fire Department
  - Fire Stations 1, 2, and 4 Overhead Doors - \$34,200
  - Fire Station 4 Rehabilitation - \$17,000
- Police Department
  - Animal Welfare Heat and Air System Improvements - \$250,000
  - Investigative Services Building Window Repair - \$5,000
- Public Works Department
  - I-35 Corridor Study, Phase 2 - \$300,000
  - Street Division Lindsey Yard Brine Maker - \$300,000

NORMAN FORWARD proposed projects include the Senior Citizen Center - \$3,420,000 and Griffin Park land acquisition - \$80,000 annually.

Councilmember Castleberry asked what has changed since the last budget update that the City has obtained \$5.2 million for new and PayGo projects and Mr. Anthony Francisco, Director of Finance, said funds became available because several projects were postponed due to federal matching funds not being available.

Councilmember Castleberry said the Robinson Street Intersection and Crossroads Boulevard Improvement Projects will cost approximately \$5.2 million and in the recent bonds approved by voters, three or four projects were moved to the front of the line without federal funding to get the projects done more quickly. If the City takes the same approach, he would like to propose the City put aside \$4.5 million of the \$5.2 million for Robinson Street improvements in order to keep them

on their original timelines. Mr. Shawn O'Leary, Director of Public Works, said because of a new ranking system, federal funding was not received in Federal Fiscal Year 20 (FFY 20), but Staff is confident federal funding for the Robinson Street and I-35 Improvements Project, sidewalk projects, and 36th Avenue N.W. Project will be received in FFY 21. He said if Council wants to place \$4.5 million in the Capital Fund to be earmarked for the Robinson Street Project until federal funds become available then Staff will do that, but it would be a shame to give up federal funds for a project when capital dollars are so hard to come by. He said projects will only be postponed one year. Councilmember Castleberry said Council can always review other priority projects once federal funds are available and would rather move forward on the project.

Mr. O'Leary said Oklahoma City received a majority of federal funding for FFY 20 and the Association of Central Oklahoma Governments (ACOG) has acknowledged the new ranking system is flawed and are committed to fixing that system prior to FFY 21 distributions. He said Staff should have a confident idea of what projects will receive federal funding from ACOG in July or August of this year.

Councilmember Scott said she is uncomfortable with waiting to hear about ACOG's process because Staff was pretty confident funding would be received for FFY 20, but that did not happen. She said the original plan was to begin the Robinson Street and I-35 improvements this year so she would like use City funds to stay on that timeline and get the project started.

Councilmember Hickman said he supports funding any project using local funds and would like to move forward with Robinson Street and sidewalk projects on Flood Avenue and Classen Boulevard because sidewalks are really important for connectivity within the community. He said these areas are currently very unsafe for pedestrians and anyone in a wheelchair would not be able to traverse these roadways.

Mayor Miller is concerned about taking \$4.5 million from the Capital Fund for a project that currently does not have federal matching funds and using that money on a project and asked how long will it take to put that money back into the Capital Fund for all the other important projects that need to be done. She can support setting the money aside temporarily and earmarking it to be used if federal funds are not obtained because she feels confident the project will receive federal funding in FFY 21. Councilmember Bierman said she is fine with putting the money aside and hedging the bet that federal funds will come through; however, spending the money is not hedging the bet and the City is not in the best financial position to spend that money. Councilmember Holman said he does not necessarily support earmarking the money and waiting on federal funds. He would rather use local funding to move forward with these projects now. Councilmember Hickman said he does not believe ACOG's rating system will significantly change enough to impact sidewalk projects.

Councilmember Bierman said the Animal Welfare Heat and Air Improvement Project is important because the heat and air system has been failing due to components of the system corroding and causing humidity issues. She said the Animal Welfare Facility is located near the Water Reclamation Facility that uses strong chemicals, which is causing heat and air components to corrode and a protective coating is needed to reduce corrosion and humidity issues. She said the

anesthesia machine has mold due to the humidity so this is becoming a significant health issue for animals and employees as mold starts to grow.

Councilmember Hickman suggested funding the two sidewalk projects, the Animal Welfare Facility Heat and Air System Improvements, and earmarking \$4.5 million for the Robinson Street Project with the idea that at the mid-year budget review Council may have a better idea if federal funds will be available. If it looks like federal funding may not be available, move forward with the project using local funds. He would also like to fund Norman's portion of the I-35 Corridor Study being done by the Oklahoma Department of Transportation.

Councilmember Holman asked for information on the file system requested by IT and Mr. Tim Powers, IT Director, said the filing system is critical infrastructure the entire City relies on. He said the system houses bodycam footage, electronic filing for documents, emails, etc. He said the system needs to be replaced because it cannot be expanded and fails on a regular basis needing to be consistently rebooted.

Ms. Hudson wanted to clarify Council's requests and said it is her understanding Council wants to move forward with two sidewalk projects (Flood Avenue and Classen Boulevard), the IT File System Project, Animal Welfare Facility Heat and Air Improvements Project, I-35 Corridor Study, and \$4.5 million be set aside and earmarked for the Robinson Street Project and Councilmembers agreed.

Councilmember Holman asked how important the Fire Station overhead door replacements are and felt the Little Axe Sports Complex and Pickleball Projects would need to be removed from FYE 20 projects. He asked if the window replacement at the Police Investigations Facility could be removed as well.

Fire Chief Travis King said an overhead door company checked all the fire station overhead doors and prioritized the need for replacement. He said there are four doors that need to be replaced at Fire Station 1 and door openers are needed at Fire Stations No. 2 and 4. He said the doors have been patched up several times over the years and need to be replaced because it is important for these doors to open for quick response to emergency calls. Councilmember Castleberry said he would like to add the overhead doors to the current budget.

Councilmember Clark said, in regard to Pickleball, there are tennis courts in east Norman that currently need a lot of work so the plan was to rehab two courts to make eight Pickleball courts because Norman has a growing Pickleball community. She suggested temporarily painting the courts so they can be used and delay the proposed resurfacing and lighting for now. Councilmember Castleberry wondered if this project could be part of NORMAN FORWARD park improvements.

Councilmember Clark asked about the Little Axe Sports Complex Projects and said east Norman needs to be shown some love and Mr. James Briggs, Park Planner, said there are a lot of drainage issues that need to be addressed.

Councilmember Hickman said if money is not needed for Robinson Street at the mid-year review he would support Pickleball courts and Little Axe projects.

Councilmember Castleberry asked about the truck for Public Works and Mr. O'Leary said this request is for a camera truck to be used for stormwater maintenance operations. Councilmember Hickman asked who would drive the trucks and Mr. O'Leary said the proposal includes two staff members to be paid out of the General Fund. Councilmember Hickman is concerned the City is only making the possibility of getting a Stormwater Utility (SWU) much more difficult when the City finds \$600,000 in Capital Funds to buy these trucks. He is concerned this reinforces the message to the public that the City does have the money for stormwater projects and there really is no need for a SWU. He said if there are funds for two new positions, he would rather hire a Forester. He said Council needs to be cognizant that the City is going to start chipping away at stormwater projects it will only make getting a SWU in place more difficult.

Ms. Carrie Evenson, Stormwater Program Manager, said an example of why the camera truck is needed is today on Lindsey Street there was flooding due to a blockage in the stormwater pipe, but no one can tell what or where the blockage is because there is no camera system to check the pipe. If the Stormwater Division had a camera truck, that blockage would be cleared immediately. She said Staff runs into this type of situation in various locations in Norman every time in rains.

Councilmember Clark understands Councilmember Hickman's concerns about public perception, but the City needs to maintain its existing stormwater infrastructure so she supports this request. Councilmember Bierman agreed, but said the City will be sacrificing this money in lieu of street sweepers and other important equipment and as long as that is made clear to the public, then this is a justifiable expense.

Councilmember Holman felt the camera equipment and truck will help convince people there are problems with stormwater and a SWU is needed because the City will have actual evidence (video) of problems with stormwater.

Mr. Anthony Francisco, Director of Finance, highlighted proposed budget amendments, which included requests made by Council as follows:

1. Allocations to overtime account in the General Fund and Public Safety Sales Tax (PSST) Fund to prior year levels;
2. Reducing budgeted allocations for interim positions added in FYE 2019 in the City Attorney's Department and Planning and Community Development Department as they were inadvertently carried over into FYE 2020;
3. Reducing the Sanitation Fund by \$2,364,218 for vehicle replacements and capital equipment to make funds available to pay off outstanding debt for the Refuse Transfer Station;
4. Increasing the Sanitation Fund in the amount of \$1,315,000 making changes recommended by the Utilities Department to save future interest costs in the 2010 Norman Municipal Authority Notes;

5. Reduce Capital Fund allocations to align the timing of expenditures for projects with matching Federal Highway Administration funds to the fiscal year in which the funds will be expended;
6. Increase allocations to the CDBG Fund to bring the budget in line with the recently adopted CDBG and HOME Program budgets;
7. Adjust the General Fund and PSST revenue projections to reflect accounting related operational, debt service, and expenditures in the PSST Fund which will require inter-fund transfers expenditures in the General Fund and Capital Fund and inter-fund transfer revenues in the PSST Fund;
8. Increase allocations in the City Council Department by \$500,000 for increased operational costs for public transportation services;
9. Decrease allocations in the Finance Department by \$78,075 to eliminate personnel to support capital projects;
10. Decrease allocations to the City Manager Department by \$86,967 related to reductions in the City's Sustainability programs;
11. Decrease allocations to the City Council budget by \$234,770 related to reductions to the City's proposed Internal Audit Program;
12. Increase allocations in the NORMAN FORWARD Fund by \$3,741,737 to partially fund a Senior Center in Reaves Park and make lease payments for Griffin Park;
13. Decrease projected Wastewater Excise Tax revenues on new development in the amount of \$300,000 to be more in line with recent years; and
14. Increase allocations to the Public Works Department in the amount of \$130,980 and \$612,138 in the Capital Fund for expanded stormwater preventive maintenance programs.

Mr. Francisco said the Finance Committee directed Staff to update revenue projection for the General Fund interest income and balance the General Fund Net Difference through supply/materials/services and maintenance savings assumptions. He said based on directed actions, the General Fund Net Difference is projected to be a positive \$244,242.

Items submitted for the record

1. PowerPoint presentation entitled, "Capital Funds FYE 2020 Capital Budget – Update – FYE 2021 – 2024 Plan," dated May 21, 2019
2. Memorandum dated May 21, 2019, from Anthony Francisco, Director of Finance, to Honorable Mayor and City Councilmembers and Honorable Trustees of the Norman Municipal Authority

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The meeting was adjourned at 7:20 p.m.

ATTEST:

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City Clerk

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Mayor