

CITY COUNCIL STUDY SESSION MINUTES

September 30, 2014

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 30th day of September, 2014, 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 Castleberry, Holman, Jungman, Quinn, Williams, and Mayor Rosenthal

ABSENT: Councilmembers Heiple and Miller

Item 1, being:

DISCUSSION REGARDING I-35/LINDSEY STREET INTERCHANGE AESTHETICS.

Mr. Shawn O'Leary, Director of Public Works, said in March 2007, the Oklahoma Department of Transportation (ODOT) announced the widening of I-35 to six lanes. The projects consisted of the widening from US Highway 77 to Main Street; the I-35/Main Street Interchange and sound wall; the I-35 Bridge over the Canadian River; the Lindsey Street Interchange; and the State Highway Nine Interchange.

Mr. O'Leary said in 2008, the Mayor appointed a citizen's committee to work closely with Oklahoma Art in Public Places, a state agency that assists in the public art process throughout the state, to develop a thematic approach to five new bridges and two retrofit bridges in Norman as well as another new bridge at I-35 and Highway 9 West, just south of Norman. He said each bridge was to have a theme that related to the history and geography of that particular area of Norman with aesthetics consistent with that theme. He said bridge themes included Prairie at I-35/Highway 77 Interchange; Tecumseh and the Shawnee on Tecumseh Road; Horses in Motion on Rock Creek Road; Railroad on Robinson Street; the Oklahoma Land Run of 1889 at Main Street; University of Oklahoma at Lindsey Street; Lake Thunderbird at Highway 9 East; and Agriculture at Highway 9 West.

Mr. O'Leary said features such as decorative fencing, wider sidewalks, and decorative street lighting, known as "betterments," cost more, but are more aesthetic and provide better safety features. He said ODOT will pay for features on the main bridge structures, but the City will have to pay for upgraded decorative features, landscaping, additional drainage systems, and irrigation systems.

Mr. O'Leary highlighted total project costs as I-35/Highway 77 - \$2.8 million (ODOT to pay total costs); Rock Creek Road - \$2.8 million (City share paid with University North Park Tax Increment Finance District Funds) and ODOT's share is \$6.9 million; Main Street - \$350,000 (City share) and \$34.8 million (ODOT share); Lindsey Street - \$474,400 (estimated City share) and \$35 million estimated ODOT share); State Highway 9 East - \$19.5 million (ODOT estimated to pay total costs); and State Highway 9 West - \$4.4 million (ODOT to pay total costs). He said the State of Oklahoma will have invested approximately \$155 million in Norman when all the projects are complete.

Mr. O'Leary said the Main Street Interchange Project was the first Single Point Urban Interchange (SPUI) in Norman and the second in Oklahoma. He said those types of interchanges involve very large bridge decks and if aesthetics are not done the bridge decks will look pretty stark. He said Council made the aesthetics decisions for the Main Street Bridge about a year ago and tonight they will discuss the Lindsey Street Interchange Project aesthetics.

Item 1, continued:

Mr. O'Leary said the proximity of the I-35 and Highway Nine East and West are very close because of the closeness to the river. He said ODOT decided to build State Highway Nine East and Lindsey Street as one project to be constructed in phases. He said ODOT will pay all project costs except aesthetics on the bridge deck. He highlighted recommended aesthetic proposals that include field furrows (a type of flat work finishing) and planters on the north and south sides. He said the north side of the bridge deck will have collegiate columns with block letters spelling out "The City of Norman" and the south side will have collegiate columns with block letters spelling out "Home of the University of Oklahoma." He said proposals also include ten planters with walls textured with native grasses; native plant landscaping; decorative fencing with taller collegiate columns at end of parapet wall; and fofera red benches, which are red concrete structures built in or around the walls of the planters. He said vertical design elements are proposed to provide shade to pedestrians walking across the bridge.

Councilmember Castleberry asked for the height of the vertical design elements and Mr. Scott Sturtz, Capital Projects Engineer, said the lower tier will be eight feet tall and the upper tier will be ten feet tall. He said the tops are designed to have slats so they cast a shadow on the ground that replicates field furrows.

Mr. O'Leary said the aesthetics are estimated at \$474,400. He said during the Capital Fund Budget discussions, Council budgeted \$150,000 as a placeholder for the project. He said Staff has developed two options for Council's consideration: Option 1 eliminates two planters (one on each side), defers the vertical design elements indefinitely, and defers landscaping to FYE 2017 for a total cost of \$252,800 and Option 2 eliminates the furrow rows and defers landscaping to FYE 2017 for a total cost of \$394,400. He said the current Capital Fund Balance is \$1.9 million.

Councilmember Holman asked if native plant landscaping would be drought resistant and Mr. O'Leary said yes, the goal is to have landscaping that is as irrigation free and low maintenance as possible.

Councilmember Williams said he loves some of the aesthetics, but would be more comfortable with Option 1 because the vertical design elements, while interesting, are going to be harder to justify to the public than fortified fencing versus chain link. He wondered if a vertical design element would be better used to incorporate public art similar to art installed throughout Norman. He said there are a lot of creative people in Norman that may have ideas on types of art that would symbolize OU. Mr. O'Leary said while that is a good idea, Staff needs to know what Council wants so it can be secured now in the ODOT agreement. He said statues or sculptures can be added to the project at any time, but is not that important to the current discussion.

Mayor Rosenthal said the Public Art Board was very reluctant to take on this project because of the scale. She said the bridge deck will essentially be the size of two football fields of concrete. The Public Art Board felt any public art project would be too expensive and take away from other fund raising efforts. She said the vertical design elements introduce color and height. Councilmember Castleberry said Oklahoma City had artists display their work on their bridges and when the art is sold, artists bring in another piece of art and there are no costs to that. He cannot support the vertical design elements, but could support a statue of the Seed Sower since that would be a natural fit to OU. Mr. O'Leary said the Seed Sower statue is an OU Trademark and OU is very particular about where and how that is used. Mr. Brian Ellis, University of Oklahoma, said OU has not discussed using the Seed Sower, but it is an idea that can be discussed in the future. Councilmember Castleberry asked if OU is contributing to bridge aesthetics and Mr. Ellis said no, it is a City project. Councilmember Castleberry asked if OU would contribute funds and Mayor Rosenthal said the City has not asked other entities such as the Quarter Horse Industry or the Shawnee or Tecumseh Tribes to contribute to any of the other bridge projects.

Item 1, continued:

Councilmember Castleberry said this project is basically a park and asked if there are parks on any other bridges and Mr. O'Leary said the Main Street Bridge is the only other one that would be comparable to the proposed Lindsey Street Bridge.

Councilmember Castleberry asked why benches are necessary and Mr. O'Leary said until the Rock Creek Road Bridge was built, no pedestrian or bicyclist could cross I-35 safely in Norman. He said the underlying theme of all the bridges has been multi-modal transportation and Lindsey Street will have wide pedestrian and bicycle paths. He said the idea for benches was due to people crossing the bridge and perhaps stopping to take a break. Councilmember Castleberry asked if people would be able to sit on the planters and Mr. O'Leary said yes. Mayor Rosenthal said there is an effort to introduce color to what is otherwise two football fields of gray concrete so the red benches would have a function as well as color element.

Councilmember Holman was not sure if he liked the vertical design elements, but did see merit in there being shade on the bridge considering it is a long trek from 24th Avenue S.W. to Ed Noble Parkway. He said the Lindsey Street exit is the gateway to OU and thousands of people use that exit especially during football home games, so the first impression should be a lasting one. He likes the collegiate columns and other aesthetics. Councilmember Castleberry agreed the I-35/Lindsey Street exit is the front door to OU, but said he cannot support paying \$116,000 to provide shade. Mayor Rosenthal felt some type of vertical element was needed on the bridge and if the vertical design elements are not what Council wants that is fine, but felt the City should not be chintzy on the bridge aesthetics.

Councilmember Quinn liked the collegiate columns including the two taller ones at each end gives verticality to the project. He said he is more comfortable spending \$20,000 on the columns versus spending \$116,000 on the vertical design elements. He asked if the vertical design elements could be added later without doing anything differently to the bridge deck and Mr. O'Leary said the vertical design elements are not integral to the structure and that is why they can be deferred as in Option 1. Councilmember Quinn said he has sat on benches on hot days and padding is needed to protect oneself from being burned and asked if red benches absorb heat. Mr. O'Leary said he did not know, but he would find out. Mayor Rosenthal said the benches are concrete, not metal, so they should not get as hot as metal benches; however, concrete can get pretty hot to the touch.

Councilmember Jungman did not care for the vertical design elements, but felt the City should spend that amount of money or more on some type of artwork. He suggested reserving a spot by building a pedestal for future installation of some type of artwork or statue. He said a ten foot bronze statue could cost around \$200,000. Mayor Rosenthal said ODOT may have structural concerns about placing a multi-ton bronze statue on the bridge and Mr. Sturtz, Capital Projects Engineer, said weight would have to be considered. He said large artwork currently placed in Norman have fairly large concrete underground support structures. He said something with a lot of verticality that does not have a lot of horizontal spread would have a very concentrated load so that would need to be considered during the bridge design.

Councilmember Castleberry said Council is talking about taking money out of the Capital Fund Balance so Council should be conservative since the City will be taking money away from other projects such as sidewalks at elementary schools.

Item 1, continued:

Councilmember Lang said his first thought when looking at this project is that this is a park on top of a bridge and the goal seems to be to make the bridge look inviting. He did not know how much interest there would be for people to meander across an interstate bridge, but the fact is if this is to be a park, how about putting in a water fountain that people can drink from rather than a put in vertical element or decide this is a bridge, not a park, and make decisions based on it being a bridge to reduce costs. He likes the collegiate columns because they do remind him of OU plus it is one of the cheapest aesthetics. He felt if Council chooses benches, walkways, bike lanes, etc., similar to a park then Council needs to think about how many parks are not being developed right now because there are no funds and what message that sends to those neighborhoods with undeveloped parks if the City spends \$400,000 on bridge aesthetics.

Mayor Rosenthal said the City is not creating a park as much as creating an entranceway into the community, which is important. She is hearing no support for a vertical element at this point, but there is support to invest in some type of artwork that would make a statement as part of the entranceway. She said this element can be deferred since it is not a structural issue and suggested the Public Art Board be asked for proposals. She said Option 1 deferring the vertical design elements and entertaining other aesthetic options that would be appropriate for this entranceway through discussions with OU and the Public Art Board seems to be the best solution.

Councilmember Castleberry asked about the Robinson Street Underpass Project's outstanding liability to the Capital Fund Balance and Mr. O'Leary said the City's share is approximately \$1 million that will come due within the next couple of years.

Mr. O'Leary highlighted the progress on the West Lindsey Street Bond Project Storm Water Drainage Structure (SWDS). He said ODOT is building Highway Nine Interchange in two phases with Lindsey Street and ODOT is collaborating with the City on the West Lindsey SWDS to move storm drainage underground between 24th Avenue S.E. and Berry Road to the Canadian River. He said Phase I, consisted of building 1,000 feet of underground box culvert at a cost of \$1,509,600 and Phase II is proposed to construct a 2,730 foot drainage box culvert along Briggs Street crossing over 24th Avenue S.W. at a cost of \$3,762,284. Mr. O'Leary said the City benefits from economy of scale by collaborating with ODOT on these projects as well as time savings and minimizing street closings for construction purposes.

Mr. O'Leary highlighted next steps to the project and said all projects should be completed by August, 2017. Mayor Rosenthal asked about the estimated length of time the Lindsey Street Bridge will be closed and Mr. O'Leary said 9 to 12 months. Councilmember Williams asked what steps can be taken to make certain the two projects dovetail so the timeline given to citizens is fairly accurate. Mr. O'Leary said Staff and ODOT are taking every step possible as far as design, incentives, disincentives, etc., to ensure the projects are completed within the timeframe.

Mr. O'Leary said Staff is also working on an elaborate aesthetics plan for the West Lindsey Street Bond Project and said the collegiate columns theme may carry through all the way to Berry Road.

Items submitted for the record

1. PowerPoint presentation entitled, "I-35/Lindsey Street Interchange Aesthetics," Council Study Session, September 30, 2014

Item 2, being:

CONTINUED DISCUSSION REGARDING A POSSIBLE WATER RATE INCREASE.

Mr. Ken Komiske, Director of Utilities, said City Council discussed a water rate increase in a Conference on September 23, 2014. During that Conference, improvements to the Water Treatment Plant (WTP) were discussed along with proposed adjustments that would be required for residential and commercial water rates. In addition, Council discussed water connection charges. He said adjustments to water rates must be voted on by the people, but connection charges are an administrative fee that may be adjusted by Council. The proposal is to adjust the water connection charges over a three year period. The increases in the water connection charges were not included as additional income when adjusting the proposed water rates and Council directed Staff to adjust the water rates with the assumption of an increase to the connection charges and bring that back for their review. They also requested proposed future connection fee costs versus historical costs of adding additional supply.

Mr. Komiske highlighted adjustments to the water connection charges based on historical costs of adding additional supply. He said the connection fee is \$575 for water and \$275 for sewer for a total of \$850. He said Oklahoma City is planning to increase their connection fee to \$1,000 over the next three years. He said the average well cost is \$768,000 and each well's individual characteristics vary from depth of well, gallon output, water quality, and distance to distribution system. An average household connection fee would cost in the range of \$1,300 to pay for infrastructure. He said the City of Norman averages 595 connections per year. Staff previously proposed a \$250 per year increase over the next three years as follows:

| | |
|------|---------|
| 2015 | \$ 825 |
| 2016 | \$1,075 |
| 2017 | \$1,300 |

Staff also looked at historical cost adding in non-residential water usage in the development of the actual water usage per connection. This method gets a truer cost because the combined connections were the actual impact to the system. When calculated with this method, the average per connection cost was \$1,018.

Mr. Komiske said an alternative proposal would be to phase connection fee increases over the next two year as follows:

| | |
|------|---------|
| 2015 | \$ 800 |
| 2016 | \$1,000 |

Mr. Komiske highlighted future budgeted costs including non-residential connections for adding additional supply. He said the City is looking at adding two million gallons per day (mgd) capacity for a budgeted cost of \$12 million. He said the cost of residential and commercial connections going forward are projected at \$1,530 per connection. He said the higher connections fees would reduce water rate proposals by ten cents.

Councilmember Castleberry asked if any wells will be taken out of service and replaced or if the proposals are based on new wells to the system. Mr. Komiske said four wells were recently taken out of service due to arsenic and radio nuclides and Staff is looking at trying to blend them back into the system. He said the two mgd would be additional supply the City currently does not currently have. Councilmember Castleberry asked if the four wells would have to be replaced and Mr. Komiske said one of the projects is to look at the piping necessary to blend all wells to a central location.

Item 2, continued:

Mayor Rosenthal said these numbers are flawed if they do not include all the various connections in terms of apartments and other uses. Councilmember Jungman did not understand why the City would phase in connection fees over two years capping it at \$1,000 when Staff knows it will cost the City \$1,500. Mayor Rosenthal said when looking at future budgeted costs including non-residential, best estimates are projected so with a two year phase-in the City would be able to recover actual costs. In two years the City will have a better idea of actual costs and Council can consider an additional increase at that time. Councilmember Jungman said in order to set up a fee structure, the City has to project what the costs are and it is only fair to assign the costs to those that benefit from the costs.

Mr. Komiske said Staff puts their best estimate in the budget based on historical costs plus going forward with new costs, but wells have more variables than installation if pipeline or even building a treatment plant. Mr. Komiske said individual costs per well were not used because wells closer to the distribution line are cheaper than a well that is five miles from the distribution line. Mr. Steve Lewis, City Manager, asked the approximate range in dollars per well and Mr. Mark Daniels, Utilities Engineer, said the total cost of 19 wells was \$14.6 million over a ten year period. Mr. Lewis asked the least amount spent on a well and Mr. Daniels said approximately \$500,000.

Councilmember Castleberry said if a new well will not be built for two years and the City is going to charge a connection fee to someone who may not benefit from that well then the City needs to charge everyone on the current system for the new system. Mayor Rosenthal said only new customers will pay connection fees and Councilmember Castleberry said current customers will benefit from the system itself and Mayor Rosenthal said benefits the current customers receive are already built into their rates. Mr. Komiske said at some point and time, an expensive well will have to be built so everyone needs to start paying incrementally towards that new well otherwise the City will not be able to provide water. Mayor Rosenthal said, currently, new customers are paying \$575 for a service that costs the City \$1,000. She said proposed increases will bring water rates and connection fees up-to-date. She said current water rates and connection fees are not capturing the City's real costs. She said the City of Norman provides cheap water, but the City cannot continue to do so. Councilmember Castleberry said if the connection fee is too high, there will be no new customers.

Mayor Rosenthal said the City captures costs through consumption and the rates customers pay so the City needs to do something about the consumption rates. She said commercial customers are paying one-half of what others in the metro area are paying and residential customers are paying 60%. She said the last change to the connection fee was in April 2007. She hopes Council will be more diligent at reviewing these costs on a regular basis in the future, but believes this is a step in the right direction.

Councilmember Quinn said Norman cannot change their utility rates without a vote of the people and the last time it went to the vote of the people it was defeated and that defeat is now costing the City. He said Council needs to look at the total cost of building a house because he talks to builders every day and there are people that will not build in Norman because the costs are higher than in Moore or other surrounding cities. Mayor Rosenthal said the only cost that is different in Norman than other communities is the wastewater excise fee, but that was a fee established out of a necessity, compromise, and crisis.

Councilmember Castleberry suggested the Business and Community Affairs (BACA) Committee review all utility fees. He said the connection fee is not something that has to be decided on immediately.

Item 2, continued:

Councilmember Holman said according to the last Census, Norman's population has grown more than Moore or Edmond's and the only other city in Oklahoma that has had a bigger population growth is Oklahoma City. Councilmember Castleberry said a person can have all the benefits of Norman, but live in Moore or Oklahoma City so he just wants Norman to be an affordable place to live. Mayor Rosenthal said all of Norman's rates are only paying half of the costs of providing those services and Norman cannot continue to do that. She said if the City is going to look at consumption rates, they need to look at connection fees as well.

Councilmember Williams fears that if the connection rate is too high, people will vote no on increasing water rates then the City will have a huge problem on its hands. He was hesitant to do anything that might torpedo the vote.

Mayor Rosenthal read an e-mail from a constituent who is concerned about how growth is affecting Norman's water supply and e-mail asks Council to place a temporary moratorium on new construction until a water solution is found. She said citizens are aware and concerned about the water supply as well as water quality and conservation.

Mayor Rosenthal said a public meeting was originally scheduled for Thursday, October 9, 2014, but that is Fall Break and many people will be out of town. She asked Council's thoughts on moving the public meeting to Wednesday, October 8th, at 5:30 p.m. and Councilmembers concurred.

Ms. Joy Hampton, The Norman Transcript, said if Council increases the connection fees and they turn out to be too low, can Council increase them again at will and Mayor Rosenthal said yes, because it is an administrative fee and does not require a vote of the people.

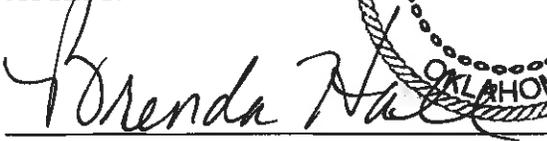
Mayor Rosenthal said there may be developer projects (such as home building contracts) under contract at the \$575 fee rate so Council may not want to implement a new fee for at least six months in order to not penalize projects already in place.

Items submitted for the record

1. PowerPoint presentation entitled, "031 Water Fund," dated September, 2014
2. Memorandum dated September 26, 2014, from Kenneth Komiske, Director of Utilities, to Steve Lewis, City Manager
3. Revised residential and commercial rates as of September 25, 2014
4. New Service Connection Fee rates

The meeting adjourned at 7:20 p.m.

ATTEST:



City Clerk





Mayor