

CITY COUNCIL STUDY SESSION MINUTES

January 19, 2016

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 January, 2016, 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 24 hours prior to the beginning of the meeting.

PRESENT: Councilmembers Castleberry, Heiple, Holman, Jungman, Lang, Miller, Mayor Rosenthal

ABSENT: Councilmembers Allison and Williams

Item 1, being:

RECEIVE INFORMATION RELATIVE TO SENIOR CENTER LOCATION RECOMMENDATIONS FROM THE NORMAN FORWARD SALES TAX CITIZENS FINANCIAL OVERSIGHT BOARD (CFOB) AND NORMAN FORWARD SENIOR CENTER AD HOC ADVISORY GROUP.

Mayor Rosenthal said McKinney Partnership Architects (McKinney) and Meyer, Scherer, and Rockcastle, LTD., (MSR) worked together to prepare site options and provide an alternative design study for a Senior Center. McKinney was asked to prepare an alternative design study for a stand-alone Senior Center near the new Central Library site and MSR was hired to conduct site analysis of six locations for a stand-alone Senior Center and incorporate that with McKinney's study information. They presented their options to City Council at the January 5, 2016, City Council Study Session, that included Option EL, the existing library site; Option AP, Andrews Park; Option L1, Senior Center conjoined with new central library; Option L2, site north of new library site; Option L3, site west of new library site; and Option L4, purchasing additional land on Acres Street facing Andrews Park. At that meeting, MSR recommended eliminating options L1, L2, and L3 from further consideration, but options EL, AP, and L4 merited additional consideration and study. She said MSR needs Council's guidance on which site options to continue discussing.

Mr. Jeff Bryant, City Attorney, said on January 11, 2016, MSR and TMP Architects (TMP), a separate contractor working with McKinney, presented the six site options to the Norman Forward Sales Tax Citizens Financial Oversight Board (CFOB). The CFOB also received a general overview of all Norman Forward projects, budget details, and project sequencing considerations. As part of that presentation, City Staff provided updated financial projections and a funding sensitivity analysis. CFOB recommended Council eliminate options L1, L2, and L3 from further consideration for potential project sites and options EL, AP, and L4 were recommended as sites for further Council/Board discussions.

On January 14, 2016, the Senior Citizen Center Ad Hoc Advisory Group (SCCAG) met to further discuss the six site options and supported MSR's recommendation to eliminate options L1, L2, and L3 from further consideration for potential project sites. Options EL, AP, and L4 were recommended as sites for further Council/Board discussions.

Mr. Bryant said a key issue during these discussions was whether or not the City could use 2008 General Obligation (G.O.) Bonds in the amount of \$4.4 million for a site other than the existing Library. He said Bond Counsel asked the Attorney General if G.O. Bond money approved in 2008 to refurbish the existing library for a Senior Center could be applied to sites other than the existing library. He said Bond Counsel is continuing to reach out to the Attorney General for an answer, but has not received a response to date. He said that was an important consideration for CFOB and SCCAG. Another consideration raised by the CFOB regarded the L4 option of acquiring additional land west of the proposed Central Library site. They asked City Staff to explore ownership, willingness to sell, if any, and what that cost would be as they would like to avoid a condemnation scenario. Mr. Bryant said Staff does know, at this time and understands there are six different owners of the condominiums.

Mr. Bryant highlighted the Senior Center evaluation criteria for renovation of the existing facility versus a new free standing facility as follows:

- Desire of citizens who would use the facility
- Functionality of the proposed facility
- Feasibility of the proposed facility
 - accomplishing other voter authorized municipal complex improvements
 - funded from 2008 General Obligation Bonds
 - revenues from Norman Forward
- Located in the vicinity of Andrews Park
- Other sites shown to be reasonably available

Mr. Jud Foster, Director of Parks and Recreation, said option AP's design has a long, narrow parking structure along James Garner Avenue and relocated basketball courts in the southwest area of that parking area. He said that concept has been refined to shift the parking further to the north and west to move it closer to the proposed Senior Center building and does not require the basketball court to be moved or changed in any way. He said the revised option moves everything out of the 100 year floodplain with the exception of a small portion near the concrete drainage channel. He said the cost estimate for option AP did not change in the revision.

Councilmember Jungman said option AP's parking lot looks similar to option EL's parking lot with six rows as opposed to five and he thought the configuration of the EL parking was one of the problems with that site. Mr. Foster said the proposed EL parking solution changes a little bit, but is very similar in distance to the front door. Mayor Rosenthal said SCCAG had concerns about EL's parking lot being used by other people leaving the senior citizens competing for parking space. Distance to the front doors was also a concern and taking those concerns to heart, the City wanted to look at ways to restrict EL's parking lot in some manner, but that was not the only parking related concerns. Councilmember Jungman said option AP would have competition with the basketball courts and the skate park. Mr. Foster agreed and said there would also be competition when events are held in Andrews Park.

Councilmember Castleberry said, in the revised plan, the City loses additional parkland and Mr. Foster said the park loses about half an acre. Councilmember Castleberry felt if the skate park is moved the remaining greenspace would not be large enough to be used for baseball, soccer, festivals, events, etc. Mr. Foster said it could be used for a function, but it would have to be a small function such as a picnic group. Councilmember Castleberry said the proposed new location for the skate park would cause noise issues for the houses nearby and Mr. Foster said that is a valid point, but the skate park being proposed will be concrete ramps, which are quieter than the current metal ramps.

Mr. Anthony Francisco, Director of Finance, said he previously presented Norman Forward Sales Tax (NFST) projects over the next 15 years to the Finance Committee. At that time, projected revenues over 15 years totaled \$209,697,548 and that has been updated to \$213,754,665 as we now know what the fiscal year period will be. Sales taxes began this month and the first collection will be in March 2016. He said because this will be a growing revenue source over time, the majority of collections happen toward the end. He said the reason that is important is because there will be more money in the end to do those projects Council chooses to split up to do on a pay as you go (paygo) basis.

Mayor Rosenthal asked how confident Mr. Francisco is on the FYE 2015-2016 revenues of \$3,265,179 given the economy and budget situation and Mr. Francisco said he is pretty confident, but is less confident about the projection for FYE 2016-2017. He said obviously only time will tell and Staff will be updating the revenue projections moving forward. He is always concerned and tries to project on the conservative side, but there are a lot of financial clouds on the horizon for all sales tax revenues, not just NFST.

Mr. Francisco said that is why the City performed a sensitivity analysis about the growth rate regarding the accuracy of the 4.25% growth rate. He said if the 4.25% growth rate is correct, the City could still have a concern because if 4.25% growth is exactly correct, then the City will receive less revenue than what is currently projected.

Councilmember Castleberry asked if the City hit their projected growth rate for FYE 2015 and Mr. Francisco said 2.5% was projected and revenues were just slightly below that.

Mr. Francisco highlighted the revenue sensitivity analysis as follows:

<u>Average Growth Rate</u>	<u>Cumulative Revenue</u>
4.50%	\$217,627,490
4.25%	\$213,754,665
4.00%	\$209,963,665
3.75%	\$206,253,129
3.50%	\$202,620,926
3.25%	\$199,065,498
3.00%	\$195,585,189

Councilmember Castleberry asked the sales tax growth rate so far this year and Mr. Francisco said 3.3%. Councilmember Castleberry said if 2.5% was projected for the General Fund why is the City budget 4.25% for the NFST and Mr. Francisco said NFST was a projection of a long term growth rate. He said the budgeted growth rates will be the same for all sales tax based services.

Mr. Francisco provided an overview of the Norman Forward Expenditure Summary. He said the larger projects that have to be completed and cannot be piece milled such as the Central Library; Eastside Library; Westwood Pool; Football/Softball Facility; Griffin Complex; Indoor Basketball/Volleyball; Indoor Aquatic Center; and traffic improvements are proposed to be done as bond projects so they can be completed without having to wait 10 to 12 years for sales tax revenue. He said paygo projects include Ruby Grant Park; Saxon Park; renovation of existing parks; Andrews Park; Westwood Tennis; Legacy Trail; Sutton Wilderness and Griffin Park land; James Garner Boulevard extension; and Canadian River Park. He said other expenditure items include support personnel; public art; Indoor Aquatic Center operations; Westwood Facility maintenance; and capital equipment. He said total expenditures are projected to be \$206,624,551.

Councilmember Castleberry asked if the Norman Forward public art is an additional 1% of what is currently being put toward public art or if it will be 1% of the project cost and Mr. Francisco it is 1% of the cost of some of the larger projects, but not all projects.

Councilmember Castleberry said if the City is able to get federal funding for the James Garner Boulevard extension, would that be 50%, 75%, 80%? Mr. Shawn O'Leary, Director of Public Works, said generally funding is 80/20 (20 being the City's portion), but the City is responsible for all land acquisition, utility relocation, design, etc., so at the end of the day it is actually 50/50. He said on the \$6 million James Garner Boulevard Project it is possible to get \$3 million in federal funds. Mayor Rosenthal asked if construction is projected to take place in the year 2020 and Mr. O'Leary said yes, 2020 may be the first opportunity to do that project.

Councilmember Lang said project costs and expenditure estimates are fairly close and asked if budget projections are based on the assumption that the 2008 G.O. Bonds will be available for use on the Senior Center using no Norman Forward funds. Mr. Francisco said projections are based on the assumption that those bond funds would be available for use for the existing library and Norman Forward expenditures are not related.

Councilmember Lang asked if he was correct in saying the attractive feature for the Andrews Park site may hinge on the fact that the City could use already authorized 2008 G.O. Bond funding for that site; thereby, keeping that expenditure out of the Norman Forward account. Mr. Francisco said the bond money is assumed to be available for the existing library remodel, but there are no existing library remodel numbers in the assumptions. He said Norman Forward is not paying for the Senior Center in these assumptions.

Councilmember Lang said he was confused and asked why the City is asking the Attorney General for an opinion on the use of the funds for the north side of Andrews Park and Mr. Francisco said, basically, from a financial standpoint the question is \$6 million of Norman Forward funds versus \$10 million of Norman Forward funds. Councilmember Lang asked if the City is trying to find a way to use the already authorized 2008 G.O. Bonds so nothing from the senior citizen's standpoint hits the Norman Forward account. Mr. Bryant said the 2008 Bond Election allowed the existing library to be renovated for a Senior Center so if the Senior Center is located in the existing library all the funding for that will come out of the 2008 G.O. Bonds, which is a about \$650,000 short of current projections, which could come out of Norman Forward Funds or the Capital Fund. Essentially, it would all be paid for out of the 2008 G.O. Bond revenues. If the Senior Center is built in Andrews Park, the cost is projected to be \$6 million if 2008 G.O. Bond revenues can be used and \$10 million if G.O. Bond funds cannot be used. He said Norman Forward ordinance language would allow NFST revenues to be used for a Senior Center located at another site other than the existing library and the Attorney General has been asked if the \$4.4 million in G.O. Bond funds could be used in Andrews Park as part of the municipal complex improvements.

Councilmember Lang said the bottom line is this is an obligation the City of Norman citizens are going to have to pay for no matter where it comes from and Mr. Bryant said yes. Councilmember Lang said what we are talking about now is the legalities and regulations of where that gets charged because the biggest difference is sales tax versus ad valorem, correct? Mr. Bryant said that is correct and the additional issue the CFOB wrestled with is what financial impact does that have on the rest of the Norman Forward projects if you take a portion of the Norman Forward revenues and apply it to a Senior Center project. Councilmember Lang said the limitations of the Norman Forward revenue would be how much sales tax Norman Forward will raise over the life of the 15 year period because once the 15 years is over, that is it. Mr. Bryant said that is correct on the revenue side, but on the expenditure side it will be how the project bids come in, what the interest rates are, etc. Councilmember Lang said if revenue from a sales tax standpoint starts lagging behind, which we hope does not happen, then a project or two on Norman Forward is going to have to be cut unless other funding could be used such as Capital Funds or General Funds.

Councilmember Castleberry said if the \$25 million in parks projects were previously budgeted long term in the capital budget then that money would, in essence, be freed up. Mayor Rosenthal said that can only be said accurately about the five year projections because beyond five years the City does not know when these projects are going to take place and some of the larger projects, such as Ruby Grant, would be difficult to do without Norman Forward funds. Mr. Francisco said one of the major frustrations of the Park Master Plan is that the Capital Fund was unable to pay for it. Councilmember Castleberry asked if the City can still pay for these projects out of the Capital Fund without the City being obligated to use only Norman Forward funds. Mr. Francisco said that is correct. Mayor Rosenthal said it might not be feasible to pay for the big community park projects out of the Capital Fund. Councilmember Castleberry asked if the City is \$5 million short at the end of the 15 years, wouldn't projects then be paid out of the General or Capital Funds and Mr. Francisco said modifications would be made to project budgets during the 15 year term of the sales tax to avoid a shortage.

Councilmember Castleberry said Norman Forward has two components, 1) NFST revenue and 2) projects that are going to be done based on that revenue. He said since voters have approved these projects the City is going to do them, right? Mr. Bryant said the voters approved the revenue assessment, there was not a separate ballot component that obligated the City to do specific projects, but it was in the ordinance that the City would try to do these projects. Councilmember Castleberry said maybe the City does not have to do these projects legally, but the City has a moral obligation to do these projects. He thinks there is more room in this budget than is being presented because there are alternate revenue sources not reflected in the projections.

Councilmember Miller said there are also a lot of unknowns and Council, over the next 15 years, needs to be aware that they have made an obligation to the public by saying \$148 million will get these projects done. She appreciates the City might have to pull funds from another source, but the City does not know how much revenue it will have in any of those other revenue sources. She said it is contingent upon Council being very careful about how they proceed with these projects. Mayor Rosenthal said it is dangerous to sit here and say there is a lot more money than what is being projected. The revenue and expenditure estimates are very conservative and she agrees with Councilmember Miller that Council needs to be very cautious as they move forward.

Mayor Rosenthal said she also wants to correct a "letter to the editor" that stated Norman Forward projects will cost \$148 million because there are actually \$207 million worth of projects and commitments. She said it is important to remember these figures were presented to Council in July before senior citizens asked Council to broaden the ordinance language to include criteria to evaluate other sites for a Senior Center. In July, Council had already made the decision they were committed to these projects and were not going to cut any and Council is also committed to looking at and vetting other sites for a Senior Center on the feasibility, functionality, and what senior citizens want and that is really what this is all about. She hopes Council continues to do due diligence and keep in mind that the Senior Citizens Center language was added in August. Mayor Rosenthal said it is too early in the game for Council to be saying they are confident these revenues are going to hold up to the extent the City can promise the money will be there to do all these projects/improvements.

Mayor Rosenthal said the decision Council needs to make tonight is whether or not to direct Staff to remove L1, L2, and L3 from consideration so they can proceed with the library planning and function on the property north of Acres. She said both advisory committees have made that recommendation to Council and asked if Council has any objections. Hearing none, she said there seems to be consensus to further discuss options EL, AP, and L4 and eliminate options L1, L2, and L3.

Mayor Rosenthal said there is the issue of public art and moving forward Council needs some policy guidance for this portion of Norman Forward. She said the City has a Public Arts Board (PAB) that also operates with the support of the Norman Arts Council and suggested Council ask the PAB to give them some options on how that portion of Norman Forward might be incorporated as the City moves forward, particularly as the City moves forward with the Central Library and Councilmembers concurred.

Councilmember Heiple asked if the City of Norman currently has any City operated buildings or facilities on Andrews Park land and Mr. Bryant said there is the splash pad, amphitheater, and picnic shelter building that one could say was operated by the City. Councilmember Heiple said since the City has existing buildings in Andrews Park it could be said that the park is part of the overall Municipal Campus. When he read the original G.O. Bond language and prospectus, he felt it was crystal clear that since Andrews Park is part of the Municipal Campus, the 2008 bond funds would be available for a Senior Center site in the park. Mr. Bryant said that has been Staff's discussion with Bond Counsel and Bond Counsel is contacting the Attorney General for feedback on that. He said the CFOB and SCCAG were both very interested in knowing if the City could use any portion of the 2008 bond funds for a Senior Center site that could possibly be located in Andrews Park. He said the City needs to wait for the Attorney General's opinion before taking that for granted.

Councilmember Holman asked if the Municipal Court *has to be* in the existing library and remodel of the Police Department *has to be* where the Police Department is right now. Mr. Bryant said he would be glad to look into that if that is Council's desire. Councilmember Holman asked if the language would allow the existing library to be converted into a new Police Department. Mr. Bryant said he would have to look at the promotional materials were sent to the voters because those promotional materials were pretty specific about where Municipal Court was going to be and where the Police Department expansion was going to be.

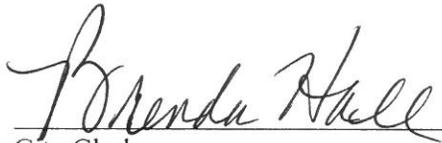
Items submitted for the record

1. Memorandum dated January 19 2016, from Steve Lewis, City Manager, to Mayor and City Council, with Attachment A, Six Location Options for Senior Center, Attachment B, Project Revenue and Expenditures Projections for Norman Forward Sales Tax, and Attachment C, Three Location Options Recommended by Meyer, Scherer, and Rockcastle
2. PowerPoint presentation entitled, "Norman Forward Senior Center Ad Hoc Group and Citizens Financial Oversight Board (CFOB) Recommendations and Financial Projections," City Council Study Session dated January 19, 2016

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The meeting adjourned at 6:30 p.m.

ATTEST:



City Clerk



Mayor

