CITY COUNCIL BUDGET RETREAT MINUTES

February 23, 2016

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 23rd day of February, 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 48 hours prior to the beginning of the meeting.

PRESENT:	Councilmembers Allison, Castleberry, Heiple, Holman, Lang, Miller, Williams, Mayor Rosenthal
ABSENT:	Councilmember Jungman

Item 1, being:

DISCUSSION REGARDING THE FYE 2017 CAPITAL IMPROVEMENT BUDGET.

Ms. Susan Connors, Director of Planning and Community Development, said tonight's presentation will focus on the FYE 2017 Capital Budget also known as Fund 50. She said the available resource assumptions are a 2.5% increase in FYE 2017 revenues and a 4% increase in FYE 2018 - 2021 revenues.

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

- Capital Sales Tax (0.7%);
- General Obligation Bonds;
- Interest Income;
- Grants; and
- Private Development Funds.

Project Assumptions/Postponements and One Year Funding Deletions:
Ms. Connors said project assumptions postponements for one year and funding deletions were determined in order to provide for other upcoming projects. The proposed modifications include:

- Postpone Police Firearms Berm Renovation Project to FYE 2018 ($1,170,000);
- Postpone Signage Replacement for the Municipal Complex to FYE 2018 ($100,000);
- Postpone Rock Creek: Grandview to 36th Avenue N.W. Widening Project ($290,000) due to the City not gaining the Association Central Oklahoma Governments (ACOG) funding points to complete the project;
- Delete funding for one (1) year:
  - Alley Repair ($200,000);
  - Concrete Valley Gutter ($75,000);
  - Traffic Calming ($250,000);
  - Sidewalks and Trails ($120,000)
  - Bridge Maintenance Program, for bridges greater than 20 feet ($100,000); and
  - Neighborhood Plan Improvements ($100,000).

Councilmember Allison asked which projects, not listed above, were deleted last year and Ms. Connors said Alley Repair Program ($200,000) and Concrete Valley Gutter ($75,000). He asked whether the

Sidewalks and Trails Program was deleted last year and Ms. Connors said it was not. She said the proposed program deletion is funding for "special" sidewalks and trails, i.e., greenways and other trail systems, etc., stating there are still other funding programs available for sidewalk projects. She said some of the Sidewalk and Trails funding was used in 2016; however, there are not any specific projects programmed for 2017, so Staff felt it would be appropriate to put the funds back into the fund balance this year.

Councilmember Holman said this will be the second year in a row Staff has suggested to delete the Alley Repair program and felt more vehicles are being used in the alleys due to increased development, specifically duplexes and their parking lots in the core area. Mr. Shawn O'Leary, Director Public Works Department, said the Alley Repair program has been around for years and is a core area program, primarily used for deteriorated and graveled alleys that need to be brought up to City standard. He said alleys take some time to design and construct; therefore, the program has fallen behind but plans are to get back on track within the next couple of years.

Councilmember Castleberry asked if the Alley Repair Program is behind due to the lack of Staff and Mr. O'Leary said more significant projects received precedence, i.e., Lindsey Street, downtown projects, etc., requiring more funding and Staff time. Councilmember Castleberry asked whether contractors could be hired to perform the work needed in the Alley Repair Program and Mr. O'Leary said contractors are routinely hired; however, Staff still manages the projects, consultants and contractors. He said Staff is doing their best, but currently there are very many on-going projects primarily due to the $17 million Community Development Block Grant (CDBG) Program that did not exist a year ago as well as the Norman Forward initiatives, which also takes Staff time and resources.

Councilmember Castleberry asked if personnel were to be increased in the Public Works Department would the funding come from the General or Capital Fund. Mr. Anthony Francisco, Finance Director, said personnel positions can be paid out of both the General Fund and the Capital Fund; however, in most cases personnel positions are funded from the General Fund by transferring money from the Capital Fund to the General Fund. He said if personnel positions are dedicated only to Capital Projects then the position can be paid directly from the Capital Fund.

Mr. O'Leary said Public Works is requesting a couple of new positions this year that would be Capital Funded positions because the positions would only work on Capital Fund Projects, i.e., alley projects, Lindsey Street, etc. Mr. Steve Lewis, City Manager, said requested personnel positions will be discussed at the March Finance Committee meeting. Councilmember Castleberry felt the City carries a healthy Fund Balance and many of the programs were not being completed because the City does not have enough Staff to handle all of the projects. He said citizens expect the City to maintain the streets, alleys & sidewalks and felt the Capital Fund could be used to hire more personnel to get the work done. He did not agree with deleting funding in FYE 2017, for Alley Repairs or Sidewalk and Trails programs.

Councilmember Miller asked for clarification regarding deleting funds for alley repairs; she asked whether any funding would be carried over from the previous year. Ms. Connors said there were not any funds for Alley Repairs in FYE 2016; therefore, there will not be any funding carried over to FYE 2017, it will simply be zero. Ms. Connors said even though the Sidewalks and Trails program is a program that is proposed to be deleted, there are other line items/funding mechanisms for sidewalks to be repaired and/or constructed.

Councilmember Miller asked if there was a balance in the Traffic Calming program and Mr. O'Leary said there is approximately $90,000; however, the City is not getting a huge demand to install traffic calming at this time.

Councilmember Lang asked whether one can assume the funding for Capital Funds are Grants, and G.O. bonds, etc.; and if there is some type of listing/allocation reflecting where the funding was derived for each project. Mr. Francisco said the G.O. Bonds are segregated out in the Fund Summary and a part of the Fund Balance is reserved for the G.O. Bond projects. He said, for example, it is not as if the City can use a $43 million (G.O. Bond) in its entirety for a sidewalk project if that particular G.O. Bond was marked for street resurfacing.
Councilmember Castleberry asked the amount available in Capital Fund and where it is shown on the fund summary. Ms. Connors said it is $1.6 million and appears on line 58. Mayor Rosenthal asked whether the personnel shortage was the only reason some of the projects have been deleted in FYE 2017 and Mr. O'Leary said no, there are many other factors, i.e., federal funding was not available, etc. He said the proposal is only pushing the project(s) out one year, not deleting them in their entirety.

Councilmember Allison asked whether the City would have received the federal funding/readiness points for the Rock Creek Widening Project, Grandview Street to 36th Avenue N.W., had there been enough Staff to prepare the work involved. He said many constituents within his ward will be affected by this delayed/deleted project and he will need a clear understanding in order to inform them why the projects are delayed/deleted. Councilmember Allison felt his constituents may not be very happy if the project delays are due to understaffing.

Mayor Rosenthal said it is important to remember the City is at the maximum amount for obtaining federal funding mostly due to the number and size of the current Lindsey Street project(s). Mr. O'Leary said Norman also has to compete for federal funding points with the surrounding metro cities and those cities also are also undertaking very large projects at this time. He said Norman submitted 20 applications to ACOG and 17 were approved, stating there was not another city in the metro area that received that many federally funded projects.

FYE 2016 Capital Funds Returned to Capital Balance for FYE 2017:
Ms. Connors highlighted funds returned to the Capital balance for FYE 2017 as follows:

- Fire Apparatus/Equipment, Maintenance and Storage Building ($400,000);
- Traffic Calming ($25,000); and
- Neighborhood Plan Improvements ($100,000).

Mr. Lewis requested Staff to update Council on the additional funding that will be needed to make repairs to the Santa Fe Depot and Mr. Jud Foster, Parks and Recreation Director, said the Santa Fe Depot has had a lot of water damage over many years causing the wood to rot. Mr. Foster said the rotting wood is considered structurally significant to the building and is also causing the brick work to fail. He said the structural engineering assessment for the Santa Fe Depot is near completion, a final site visit was done last week, and Staff anticipates the final report next week. Mr. Foster said because the Santa Fe Depot is an historical structure, the cost estimates are expected to be substantial due to the nature of the repair work and the FYE 2016 Funds being returned to the Capital balance will help complete this project. Mr. Lewis said this was an unplanned project and expense.

Councilmember Castleberry asked why the Fire Apparatus/Equipment, Maintenance and Storage Building project in the amount of $400,000 is not part of the Public Safety Sales Tax (PSST) and Mr. Francisco said it is, actually, because of the PSST that the funds are available. Mr. Francisco said this

particular project is now reflected and available in the PSST Fund; therefore, the money is able to be returned to the Capital Fund.

Existing and Reoccurring Project Cost Increases in FYE 2017:
Ms. Connors highlighted the project cost increases as follows:

- Fire Administration Remodel ($181,000);
- Animal Welfare Fencing ($30,000);
- Mapping Update; Orthophoto and Planimetric Base Map ($145,000);
- Park Site Amenities and Furnishings ($10,000);
- Rock Creek Road at 12th Avenue N.W. and Trailwoods Drive Signal ($230,000) (Utilities);
- Legacy Trail Multi-Modal Path Extension 36th Avenue N.W. ($50,000) (Construction);
- State Highway 9 Multi-Modal Path ($70,000) (Design);
- Sidewalk Accessibility ($50,000) (Various Locations); and
- Sidewalk Program Schools and Arterials ($39,000) (Various Locations).

Councilmember Allison asked if the Fire personnel (Fire Inspectors) will remain at the Norman Investigations Center (NIC) or will they be relocated back to the Fire Administration Building. Mr. James Fullingim, Fire Chief, said Fire personnel will still be located at the NIC and the Fire Administration Remodel will add additional space for personnel, a conference room, and a technology area, as well as a generator for the building. Chief Fullingim said it is important to note that most of the increase is due to the addition of the generator which is a $100,000 cost.

Councilmember Holman asked why the Rock Creek Road at 12th Avenue N.W. and Trailwoods Drive Signal Project was so expensive and Mr. O'Leary said this particular portion of Rock Creek Road is a quarter of a mile long with two intersections and two signals. He said it will be totally reconstructed from the railroad tracks to Stubbeman Avenue. Councilmember Holman thought the City had decided not to widen this area of Rock Creek Road few years ago and Mr. O'Leary said the project will only widen the street slightly due to the installation of the left turn lanes. Mr. O'Leary said this is a development driven project and the project can now be completed since development fees have been collected for a number of years.

Proposed New Infrastructure Projects (City Clerk Department):
Ms. Connors highlighted the following projects:

- 201 W. Gray Mechanical Equipment Replacement ($260,000);
- 201 W. Gray Administrative Building Generator Installation ($150,000);
- 201 W. Gray Administrative Building Carpet Replacement; ($100,000); and
- City Clerk's Office Remodel ($107,000).

Proposed New Infrastructure Projects (Information Technology (I. T.) Department):
Ms. Connors highlighted the following projects:

- Enterprise Resource Planning (ERP) Legacy System Hardware Upgrade ($70,000);
- ERP System Upgrade, Phase I ($2,000,000);
- City Website Redesign and Mobile Applications ($275,000);
- Building Security and Access Systems, Phase I ($300,000);
- Replace Core Network Switches; ($275,000);
- Document Imaging ($210,000); and
- Video Conferencing Expansion ($162,250).

Mayor Rosenthal said these projects are large investments in the coming year and stated the projects are being done at Council's request. Councilmember Allison said in the future some City offices will be relocated from one City building to another and wondered whether or not the scope of work being proposed in FYE 2017 for Building Security and Access Systems, Phase I project, will be sufficient or need to be redone at that time and Mr. Tim Powers, Director of Information Technology (I.T.) said yes. Mr. Powers said the $70,000 ERP Legacy System Hardware Upgrade is necessary; however, Phase I of the ERP System Upgrade may be able to be pushed back for a year or so. He said the current Legacy System is out of service/support and some critical changes, i.e., changes to Internal Revenue Service (IRS) forms due to Obamacare, etc., will need to be made before December 2016.

Councilmember Castleberry asked for the allocation breakdown between the Website Redesign and Mobile Applications and Mr. Powers said the project is a combined project with one (1) vendor doing all the work. Mr. Powers said there is a possibility the two issues can be done separately because there are many ways to have the application (app) installed first and at a later time either have Staff or another contractor complete the website redesign.

Councilmember Miller understood the ERP System Upgrade would be spread out in phases for a few years but asked if the $2,000,000 amount was for Phase I only or total cost for the complete project and Mr. Lewis said the total project cost is estimated to be $4,000,000 and spread out over three (3) years.

Councilmember Allison asked if Staff expects to start the ERP System Upgrade soon and Mr. Powers said absolutely, but the $70,000 ERP Legacy System Hardware Upgrade will buy the City a little time, should the complete upgrade need to be pushed back a couple of years.

Ms. Connors wanted to clarify that the projects are simply requests by each department and there is not enough funding to complete them all. Mayor Rosenthal asked if the department requests were listed in priority order and Ms. Connors said yes.

Proposed New Infrastructure Projects (Fire Department):

- Fire Station Security at Stations 1,7, EOC, and Administration ($80,000);
- Fire Station No. 6 Driveways Replacement ($12,720);
- Fire Station No. 4 Driveways Replacement ($8,470);
- Trench Rescue Training Program ($45,000);
- Overhead Door Replacement at Three (3) Fire Stations - 6 doors total ($17,000); and
- Fire Station No. 7 Remodel ($30,000).

Proposed New Infrastructure Projects (Police and Parks and Recreation Departments):

- Police:
  - Office Remodel ($12,750);
- Parks
  - 12th Avenue Recreation Center Door and Entry Improvements ($16,000);
  - Sooner Theater Seat Replacement and Interiors (match) ($100,000);
  - 12th Avenue Recreation Center Gymnasium Painting ($15,000); and
  - Whittier and Irving Recreation Centers Interior Painting ($50,000).

Proposed New Infrastructure Projects (Public Works):

- Street Striping ($50,000);
- Cedar Lane: East of 24th Avenue S.E. to 36th Avenue S.E. ($400,000) (Design);
- 36th Avenue S.E.: Cedar Lane to State Highway 9 ($700,000) (Design);
- State Highway 9 Multi-Modal Path Phase 2, 48th Avenue S.E. to 60th Avenue S.E. ($255,000) (Design)
- 36th Avenue N.W. and Tecumseh Road ($35,000) (Design);
- Classen Avenue Sidewalks ($40,000) (Construction – Boyd Street to 12th Avenue S.E. – both sides)
- Fleet Heavy Shop Office Upgrade and Platform ($45,000); and
- Fleet Breakroom Renovations (34,750).

Ms. Connors said the 36th Avenue S.E.: Cedar Lane to State Highway 9 and State Highway 9 Multi-Modal Path, Phase 2 - 48th Avenue S.E. to 60th Avenue S.E. projects are both City matches to Federal and/or State funding. Councilmember Holman understood some of the department proposals may not get funded in FYE 2017; he wondered why funding was being deleted for sidewalks earlier in the presentation only to be proposed by the Public Works Department for new infrastructure. Ms. Connors said the proposal to delete funding for the Sidewalks and Trails project are primarily for trails located in greenway and reminded Council there are several funding mechanisms to construct sidewalks. Mr. O'Leary stated the Classen Avenue Sidewalks Construction from Boyd Street to 12th Avenue S.E. is also a City match to an Oklahoma Department of Transportation (ODOT) funding award.

Councilmember Allison asked if the State Highway 9 Multi-Modal Path, Phase 2, is basically a large bicycle path and Mr. O'Leary said this will be a ten-foot wide bike-type trail, from 24th Avenue S.E. to Lake Thunderbird. Mr. O'Leary said this project will be done in phases along with the progression of the Highway 9 project being completed by ODOT. He said this City project has been delayed a couple of years so that the City could secure the Rights-of-Way (ROW). In recent months ODOT has agreed to allow the City to use their highway ROW on the north side of Highway 9, to place the multi-modal path in. The path will be separate/divided from State Highway 9.

Ms. Connors said the total department requests are approximately $6.5 million and the available funds for new requests in FYE 2017 are approximately $1.6. Mayor Rosenthal states some of the requested projects are inner-connected and some are critical needs such as the I.T. upgrades. Councilmember Castleberry stated some of the requests are connected to federal grants the City will obtain if a match is made.

Councilmember Allison wondered if issuing laptops to 20 or 25 employees would be less expensive than installing a $150,000 Generator Installation at 201 W. Gray. He felt the employees could use the laptops at work or even at home. Mr. Lewis said when the 2007 ice storm occurred the City was without power for several days; he said that was a very unique situation; however, citizens would come to City Hall looking for answers and/or support. He said whenever there is any weather event and/or disaster within the City, the City remains Staffed so that the citizens can be given helpful information and/or be taken care of. Councilmember Miller said the generator installation will be for emergency backup and felt that is was a critical project. Ms. Brenda Hall, City Clerk, said Building C currently has a generator due to the I.T. Department being housed there and Building B has had a generator for years to assist the police department. She said the current request for a generator is for the main municipal building; however, Council will see a future request for a generator install at Building A in the five (5) year Capital

Improvement Plan (CIP). Ms. Hall said the generators will allow the City to function should power outages occur.

Councilmember Holman asked whether the generator installations could qualify under the PSST funding and Mayor Rosenthal felt there was not a lot of PSST funding available to add additional projects.

Mr. Lewis said Staff is trying to explore other ways to fund the ERP System Upgrade, Phase I, so that the project will not have to be completed in phases since it has a $2,000,000 cost.

Councilmember Castleberry felt a $275,000 cost for City website redesign is not reasonable and Mr. Powers said the largest portion of that will be moving the current content. He said it is possible to do the website redesign cheaper if it is done in-house; however, doing so will allocate personnel to this project rather than accomplishing other duties that also need to be completed. Councilmember Heiple said this issue was discussed in the Business and Community Affairs (BACA) meeting and felt that the City website has a more robust structure than a normal website. He said the City's website contains a lot of links, data, and more detailed information and felt the costs are justified. Councilmember Castleberry said Norman Public Schools (NPS) spent approximately $120,000 to upgrade their website and asked if the City's website was more complicated than theirs. Mr. Robert Gruver, Network Support Supervisor, said he did not know the functionality of NPS's website; however, the City's website includes Ecommerce, public safety, and multiple websites.

Mayor Rosenthal felt careful consideration was needed regarding hiring additional personnel, more specifically, staffing up some departments for short-term projects is different than staffing-up departments for continuing obligations.

Items submitted for the record

1. PowerPoint presentation entitled, "Capital Fund 50, FYE 2017 Capital Budget, FYE 2018-2021 Plan"
2. Capital Fund 50 Accounts dated February 19, 2016

The meeting adjourned at 6:20 p.m.

ATTEST:

Brenda Hall

City Clerk

Cindy Rosenthal

Mayor

CITY OF NORMAN CORPORATE SEAL OKLAHOMA