

COUNCIL BUDGET RETREAT

February 17, 2011

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 17th day of February, 2011, 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 Atkins, Butler, Cubberley, Dillingham, Griffith, Kovach, Quinn, Mayor Rosenthal

ABSENT: Councilmember Ezzell

DISCUSSION REGARDING THE FYE 2012 CAPITAL BUDGET.

Ms. Linda Price, Revitalization Manager, said there had been a 0% increase assumption in the FYE 2011 Capital Budget and, that projection has been adjusted to 4.545% with a 4.64% assumption in FYE 2012 and a 4.25% assumption in FYE 2013 thru FYE 2016. She said there had also been project assumptions as follows:

- Decrease street rehabilitation by using General Obligation Bond (GOB) 2005 funds in FYE 2011
- Decrease asphalt street rehabilitation by using GOB 2005 funds and Association of Central Oklahoma Governments (ACOG) funds in FYE 2012
- Postpone recreation center interior renovation
- Postpone 24th Avenue S.E. – Lindsey to Alameda widening project
- Postpone fire apparatus/equipment storage building
- Delete funds for one year for traffic calming; miscellaneous drainage maintenance projects; drainage construction projects; and greenbelt acquisition projects

Councilmember Quinn asked if there was money left in FYE 2011 Budget for traffic calming and Mr. Shawn O'Leary, Director of Public Works, said very little, due to remaining funds being used to purchase permanent speed feedback signs. Mr. O'Leary said Staff will continue to accept applications from citizens, working with neighborhoods, and continue speed studies, but will not implement projects until funds become available. Mayor Rosenthal asked what the length of the study period would be for the permanent feedback signs before Staff would know how effective they are and Mr. Angelo Lombardo, Traffic Engineer, said approximately one year.

Mayor Rosenthal asked what funds remained in the Greenbelt Acquisition Fund and Ms. Suzanne Krohmer, Budget Manager, said \$350,000.

Councilmember Kovach asked where the Fire Apparatus/Equipment Storage Building was to be located and Mr. James Fullingim, Fire Chief, said at Fire Station No. 7 Training Center. He said the purpose of the building is to store all specialty equipment and assorted apparatus in a central location. He said, currently, storage is tight and some equipment is stored outdoors, and while the building is needed it is not an immediate need.

Ms. Price highlighted project cost increases:

- \$35,000 for the bridge on Main Street west of 36th Avenue
- \$378,400 for the replacement bridge on Franklin Road one half mile west of 12th Avenue N.W.
- \$255,000 for the Compressed Natural Gas (CNG) Facility costs
- \$152,100 for the Porter Avenue gap paving construction from Rock Creek Road to Tecumseh Road

Mayor Rosenthal asked what the grant amount was for the CNG Facility and Mr. O'Leary said construction costs are estimated at \$1.6 million and the grant is \$1.1 million. Councilmember Cubberley asked what the \$35,000 for the bridge on Main Street would be used for and Mr. O'Leary said there is a need for downstream improvements for Brookhaven Creek that was not in the original scope of work. He said that would be the City's share after grant funds.

Ms. Price said Staff is proposing new projects as follows:

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| ▪ Fire Station #6 restoration and repairs | \$20,000 |
| ▪ Senior Citizen Center elevator compliance upgrade | \$10,000 |
| ▪ Westwood Tennis Center HVAC replacement and upgrade | \$ 6,000 |
| ▪ Police communications UPS replacement and upgrade | \$78,750 |
| ▪ Police Shooting Range wall repair | \$12,000 |
| ▪ Fleet Maintenance backup generator | \$35,000 |
| ▪ Kennedy Safe Routes to School match | \$37,500 |
| ▪ Legacy Trail Multi-Modal Path extension | \$70,000 |
| ▪ Roadway lighting on Jenkins Avenue, State Highway 9, and Constitution Avenue | \$10,000 |
| ▪ Little Axe Center improvements | \$60,000 |
| ▪ Trail replacement in Hall Park greenbelt | \$80,000 |
| ▪ Transportation Master Plan Scoping Survey | \$30,000 |

Ms. Price said although the Legacy Trail Multi-Modal Path extension will cost \$70,000, the City will receive a reimbursable grant in the amount of \$56,000. Mayor Rosenthal asked if that grant was an enhancement grant and if the City has been notified the grant has been approved and Ms. Price said yes, it is a Transportation Enhancement Grant and Mr. O'Leary said the City has not been notified of its approval, but expects to receive notification in May.

Ms. Price said \$10,000 for the roadway lighting on Jenkins and Constitution is the City's share and Mr. Angelo Lombardo, Traffic Engineer, said the City is partnering with the University of Oklahoma (OU) for the project. Mr. O'Leary said the \$10,000 will pay the City's half of the engineering fees and OU will pay the other half. Councilmembers asked if the lights would be LED and Mr. O'Leary said that is the direction Staff is headed.

Councilmember Kovach asked Mr. O'Leary to explain what the scoping survey would do as opposed to the master plan and Mr. O'Leary said it will establish what Norman wants for a Transportation Master Plan as opposed to any other master plan in any other city. He said Staff already has a lot of information that could be incorporated into the scope, which will save money. Councilmember Kovach asked how much the master plan would cost and Mr. O'Leary said anywhere from \$250,000 to \$500,000 depending on the scope of the program.

Ms. Price presented options that consist of large projects that are hard to fit into the capital budget because of revenue. She said the following five projects have potential for General Obligation Bond funding:

- 24th Avenue east from Lindsey to Robinson
- 36th Avenue N.W. from Tecumseh to Franklin
- Cedar Lane from 12th Avenue S.E. to Classen
- Franklin bridge - 1/2 mile west of 12th Avenue N.W.
- Main Street bridge - 1/2 mile west of 36th

Ms. Price said the projects would be supplemented with federal funds and recoupment fees in excess of 50% of the total project cost. She said the projects would allow the City to move faster on other transportation projects and allow for construction of \$31 million worth of projects for \$15 million. She said these are projects that Staff

believe have a lot of merit and asked Council for input. Mayor Rosenthal asked what bonded indebtedness would retire in the next year that would position the City to continue indebtedness and not increase ad valorem taxes. Mr. Anthony Francisco, City Attorney, said there is a large bond maturing in December 2012, but it is backed by sales tax. Councilmember Cubberley asked what the debt service was on that bond and Mr. Francisco said around \$250,000 per year. Councilmember Cubberley, said projecting that forward, how much in bond indebtedness would \$250,000 support in a new bond issue. Mr. Francisco said the original base was \$4.3 million so it would be a little less than that. Mayor Rosenthal said, on ad valorem, what would \$5 million in indebtedness equate to and Mr. Francisco said approximately \$1.00 per month pays for about \$10 million worth of projects. He said the proposal discussed tonight would cost approximately \$1.30 per month for a \$100,000 home on a 20 year note. Councilmember Cubberley said bonds are a way to progress those corridors that are higher traveled corridors and address needs. Councilmember Kovach said traffic was the number one complaint in the Citizen Survey so anything to expedite those projects would be favored. Mayor Rosenthal felt this would be something to think about at the 2012 Municipal Election so there would be time to add or substitute projects.

Mayor Rosenthal said the I-35 Project will rebuild the Lindsey Street Interchange and felt it would be incumbent upon Council to look at Lindsey Street because of the ability to compete for federal funds and to coincide the construction with I-35 improvements made sense. She said she would like to budget money for a stakeholder process that would bring people together to get a consensus on road improvements. She said Lindsey Street is critical to stormwater drainage issues and allows the City to compete for 80%-20% federal money. Councilmember Cubberley said the drainage plan for McGee and Lindsey would take the water towards the highway into the Canadian River so if the City constructs any drainage improvements to supplement road grade improvements, it should be done while street construction is ongoing. Mr. O'Leary agreed and said the City could get 80% funding for the drainage improvements if it was part of the transportation corridor as opposed to constructing separate drainage and transportation projects. Mayor Rosenthal said she would like Staff to submit a proposal of what is needed in the Capital Fund to get through this process. Councilmembers agreed that the projects should coincide.

Ms. Price highlighted the status of the Facility Maintenance Roof Projects. She said future projects remaining are repairs to the Little Axe Community Center; 12th Avenue Recreation Center; Whittier Recreation Center; Municipal Administration building; Animal Welfare building; Fire Station No. 7; Norman Depot; Fire Station No. 6; Sooner Theatre; Municipal Building A; Reaves Center; Little Axe Concession Stand; and Building B. She said there had been 19 buildings scheduled for Lighting Replacement Projects and 13 are complete and the Norman Public Library will be the largest project. Councilmember Cubberley asked if there was any way to track cost savings on electricity and Ms. Brenda Hall, City Clerk, said a 30% savings is projected and will be tracked. She said the City is also getting a rebate of approximately \$8 per fixture from Oklahoma Gas and Electric (OG&E).

Ms. Price also reviewed Heat and Air Handler Projects and Hot Water Heater Replacement Projects.

Councilmember Kovach asked if Staff ever reviewed the Unprogrammed Capital Improvements list to move those projects forward and Ms. Price said Staff will be purging and assessing those projects before Council is given a new Capital Budget draft.

Councilmember Butler said she did not find any capital projects for the Animal Welfare Facility and Ms. Price said Council had asked for that project to be shown beyond five years and that is why it is not in this presentation. Councilmember Butler asked Staff to place the Animal Welfare project into this Capital Budget if it is in the beyond five years category.

Councilmember Kovach asked that a sidewalk from Westbrooke Terrace to Highway 9 on McGee be added as a project.

Councilmember Kovach said he understood that bond money for the Robinson Street Underpass Project has to be used for that project and asked if there was Capital Fund money that has been used toward the project that could be reimbursed. Ms. Price said yes, capital money can be reimbursed on the same project. Mr. Francisco said money spent out of the Capital Fund on that project can be reimbursed with bond funds and free up the capital money for other projects. Councilmember Kovach said if the City paid extra money on the design of the bridge beatification and widening of the bridge for multi-modal transportation, would that be considered close enough to the Underpass Project to be used for that purpose and Mr. O'Leary said yes, because it is in the same corridor. Councilmember Kovach said if Council chose to sell some of the lots would the money go back into the Capital Fund and Mr. Francisco said that would depend on whether or not the lots were purchased with bond money. In that case, the money would have to be used on the bond project.

Councilmember Kovach asked if City work is done on a Tax Increment District (TIF) Project can the City charge that time to the TIF Fund and Mr. Francisco said yes, if work in the TIF was a City project funds could be transferred. Councilmember Kovach asked for an estimate of that dollar amount prior to the next budget meeting.

Councilmember Kovach asked if the Transportation Master Plan was in the Capital Improvement Projects Budget's Five Year Plan and Mr. Wayne Stenis, Planner II, said the scope of work was the only information in the budget at this time. Councilmember Kovach requested that be included in the Capital Budget. Councilmember Cubberley felt Staff would have a better idea of how large or small the transportation plan will be after having done some of the scoping and suggested waiting until they had a better idea.

Councilmembers asked questions about the status of other projects such as the Smalley Center and the Norman Public Library and Ms. Price reviewed the status of each project.

Items submitted for the record

1. Memorandum dated February 11, 2011, from Linda R. Price, Revitalization Manager, to Honorable Mayor and Councilmembers
2. PowerPoint presentation entitled, "Capital Fund 50 – FYE 2012 Capital Budget, FYE 2013-2106 Plan"
3. Capital Fund 50 FYE 2010 though FYE 2016; Priority of New Projects and Cost Increases Not Included; Potential GOB Projects – FYE 2011 through FYE 2016; Capital Fund 50 – Capital Improvements FYE 11 Budget and FYE 12-15 Plan; and Unprogrammed Capital Improvements (2/11/11)

The meeting adjourned at 6:40 p.m.

ATTEST:

City Clerk

Mayor