

CITY COUNCIL BUDGET RETREAT MINUTES

February 26, 2019

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 26th day of February, 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 24 hours prior to the beginning of the meeting.

PRESENT: Councilmembers Allison, Bierman, Castleberry, Clark, Hickman, Holman, Karjala, Mayor Miller

ABSENT: Councilmember Wilson

Item 1, being:

DISCUSSION REGARDING THE FYE 2020 CAPITAL IMPROVEMENT PROGRAM BUDGET AND THE FYE 21 - FYE 24 CAPITAL IMPROVEMENTS PLAN.

Ms. Jane Hudson, Interim Planning and Community Development Director, said tonight's presentation will focus on the FYE 2020 Capital Improvement Program Budget and FYE 2021-2024 Capital Improvements Plan.

Ms. Hudson highlighted Sales Tax Growth Assumptions as follows:

- 4.0% Projected FYE 20 estimates
- 4.0% Increase in FYE 2021 – 2024 Revenues.

The Funding Sources for Fund 50 include:

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

Ms. Hudson said, historically, the Capital Sales Tax of 0.7% is broken down into the categories of Capital Outlay – 27%; Street Maintenance – 25%; Other Street Projects and Debt Service – 36%; Existing Facility Maintenance – 5%; and General Contingency – 7%.

Mayor Miller said she is concerned that funding for existing building facility maintenance never increases because if the City does not take care of its existing buildings, it will cost more money down the line. Ms. Brenda Hall, City Clerk, said the larger facility projects, i.e., heat and air, roofs, etc., are not part of the 5%. Mayor Miller said there are existing facilities that need things to be done and Council needs to discuss that for this budget.

Ms. Hudson said significant Capital Fund Projects that have been completed and closed between July 1, 2018, and February 2, 2019, include the following:

- Treasury Area Safety Project;
- Geographical Information System (GIS) Mapping Update FYE 17;
- Burlington Drive Drainage Improvements;
- St. James Park, Section 5, Stormwater Pipe Relining;
- Fleet Window Replacement;
- Sutton Wilderness Trail and Parking Improvements;
- Little Axe Community Center and Sports Complex Improvements; and
- Fire Station 4 Driveway Replacement.

Ms. Hudson highlighted significant Capital Fund Projects completed but not closed out, as follows:

- City Data Storage Center (\$1,401,000);
- Animal Welfare Fencing (\$45,000);
- Main Street Enhancement (Streetscape) – Park Drive to James Garner Avenue (\$3,830,000)
- 12th Avenue S.E. Bond Project – State Highway 9 to Cedar Lane (\$2,795,000);
- Total Maximum Daily Load (TMDL) Compliance & Monitoring Plan Implementation, Year 1 (300,000);
- Sidewalks and Trails – 24th Avenue N.E. (\$85,000);
- State Highway 9 Multimodal Path – 24th Avenue S.E. to 36th Avenue N.E. (\$85,000).
- 36th Avenue N.W. and Havenbrook Street Traffic Signal and Intersection Widening (\$1,270,000);
- Lindsey Street Bond Project from 24th Avenue S.W. to Berry Road (\$26,817,000);
- CDBG-DR Grant Infrastructure Projects (\$14,500,000);
- James Garner Avenue, Phase 1 – Intersection of Acres Street and James Garner Avenue (\$1,970,000); and
- 2010 Street Maintenance Bond Program.

Ms. Hudson highlighted FYE 2017-2021 Street Maintenance Bond Program projects as follows:

- Street Maintenance (Year 1) FYE 2017
 - Urban Asphalt Pavement (100% Complete)
 - Urban Concrete Pavement (100% Complete)
 - Rural Road Rehabilitation (100% Complete)
 - Urban Road Reconstruction (100% Complete)
- Street Maintenance (Year 2) FYE 2018
 - Urban Asphalt Pavement (100% Complete)
 - Urban Concrete Pavement (100% Complete)
 - Rural Road Rehabilitation (Spring 2019 Construction)
 - Urban Road Reconstruction (25% Complete)
- Street Maintenance (Year 3) FYE 2019
 - Urban Asphalt Pavement (Under Construction)
 - Urban Concrete Pavement (Under Construction)
 - Rural Road Rehabilitation (Spring 2019 Construction)
 - Urban Road Reconstruction (Spring 2019 Construction)

Ms. Hudson said the 2012 Transportation/Stormwater Bond Program Budget consists of:

- Cedar Lane Road: 12th Avenue –1/2 mile east of 24th Avenue S.E. - \$9,846,790 (completed July 2015 - \$10,048,310 actual costs);
- Lindsey Street: 24th Avenue S.W. to Berry Road - \$32,945,120 (completed July 2018 - \$42,125,770 actual costs);
- Franklin Road Bridge–1/2 mile west of 12th Avenue N.W. - \$4,520,830 (completed August 2017 - \$4,219,680 actual costs);
- 12th Avenue S.E.: State Highway 9 to Cedar Lane Road - \$3,181,002 (completed November 2019 - \$3,393,780 actual costs);
- Main Street Bridge: 1/2 mile west of 36th Avenue S.W. - \$4,138,410 (construction began August 13, 2018 - \$7,038,000 actual costs);
- 24th Avenue East: Lindsey Street to Robinson Street - \$13,007,510 (construction to begin Summer 2019);
- 36th Avenue N.W.: Tecumseh Road to Indian Hills Road - \$16,920,510 (construction of Phase I to begin Spring 2020, and Phase 2 to begin Spring 2021); and
- Alameda Street: 1/2 mile east of 24th Avenue S.E. to 48th Avenue S.E. - \$4,942,510 (construction to begin Spring 2021).

Ms. Hudson said the total 2012 Transportation/Stormwater Bond Program Budget strategy was \$42,500,000 with a current projection of \$48,300,000 leaving a deficit of \$3,800,000. She said proposed additional program budget revenue/savings included savings from remaining three bond projects - \$0.5 million; transfer of surplus funds from 2016 Street Maintenance Bond Program, \$1.5 million; recoupment fees, deferral fees, traffic impact fees \$1 million; additional contributions from Norman Utilities Authority (NUA) for waterline relocations \$0.5 million; and other State/Federal Grants \$0.3 million for a total of \$5.8 million.

Significant FYE 2019 projects underway include West Main Street Bridge Bond Project (\$7,000,000); TMDL Compliance and Monitoring Plan Implementation, Year 3 (\$300,000); Fire Administration Building Renovation (85% complete); Comprehensive Land Use Plan Update; and 24th Avenue N.W. and Tee Drive (\$494,293).

Councilmember Clark thought the Fire Administration Building Renovation was complete and Ms. Hudson said there was a few punch list items left. Mr. Travis King, Fire Chief, said a fence is still needed around the back and a large tree needs to be removed.

Ms. Hudson said estimated cost increases in funded FYE 20 projects include the following:

- Playground Component Replacement Citywide -\$5,000
- Park Shelter, Restroom, and Structure Maintenance - \$10,000
- 12th Avenue S.E. and Triad Village Drive New Signal - \$10,000
- North Flood Avenue and Venture Drive New Signal – \$80,000
- Street Striping - \$100,000 (increased from \$50,000)
- 710 Asp Avenue City Parking Lot Project - \$51,000
- Park Site Amenities and Beautification - \$8,000

Councilmember Hickman asked why a traffic signal at Venture Drive and North Flood Avenue is being installed since there is already a traffic signal at I-35 and Franklin Road. Mr. Angelo Lombardo, Transportation Traffic Engineer, said development occurring in the area required a traffic impact study and that study identified the need to signalize that intersection plus there have been several accidents in that general area. He said Victory Family Church on the east side of Flood Avenue is concerned about the traffic safety of their parishioners because the City is doing road construction that will close their southernmost driveway and parishioners will have to use Venture Drive as access to the church. Councilmember Hickman asked if the developer is paying any of the costs and Mr. Lombardo said yes, the project will cost approximately \$500,000 and the City will pay \$80,000 of that.

Ms. Hudson said if Transportation Bonds are approved by voters PayGo can be reduced by \$1,480,000, if Stormwater Bonds and Utility is approved by voters PayGo can be reduced by \$605,000, and 36th Avenue N.W. and Crail signal installation was postponed for a savings of \$240,000.

Councilmember Scott asked why 36th Avenue N.W. and Crail signal installation is being postponed and Mr. Lombardo said federal funds for the project will not come through in 2020 so there is no need to budget the City's contribution in FYE 20.

Councilmember Bierman said traffic signals cost the City money and she recently learned the City should have one traffic signal technician for every 25 traffic signals; however, the City currently has 160 traffic signals and four traffic signal technicians so every traffic signal installed compounds that problem.

Mayor Miller asked if the proposed Traffic Management Facility will help with that in terms of coordinating traffic signals so the City will not need so many traffic signals and Mr. Lombardo said unless development stops, traffic signals will continue to be needed. He said there are eight intersections in the one-mile section between Rock Creek Road and Tecumseh Road and most cities would only allow four intersections in a one-mile section with two being signalized. He is expecting at least four traffic signals to be needed along this corridor in the future. Mayor Miller asked when additional traffic signal technicians will be hired and Mr. Shawn O'Leary, Director of Public Works, said the Public Works Department has requested additional traffic signal technicians for the last five or six years, but the positions have not been funded.

Ms. Hudson said in the proposed 2019 Transportation Bond Program there are no federal share funds calculated in 2010 through 2022, but work is ongoing and the City is gaining readiness points for the matching funds from the Federal Highway Administration (FHA). The City will be looking at engineering designs, right-of-way acquisition, relocation of utilities, etc. She said project readiness is critical in the scoring of a project so funding of pre-construction activities is critical for projects in FYE 2019 and beyond.

Councilmember Hickman said it is his understanding that in structuring the Transportation Bond Program the City was thinking that by FYE 2023 when federal shares are expected to come in the City will have already obtained all the federal shares for existing projects for a smoother transition. Mr. O'Leary said that is correct, but the City is still trying to fund current bond projects so the first window for federal funds for the next bond program is 2023. Mr. O'Leary said the City's goal, which is getting harder, is to meet the maximum available federal dollars so all the readiness activities are being done to meet the funding cycle.

Ms. Hudson said 33 of 60 projects identified in the Stormwater Master Plan were selected for a \$60 million bond package based on ad valorem tax (\$3.40 per month for \$100,000 market value home). The proposed 2019 Stormwater Bond Program will be for the design and construction of new, expanded, or improved assets.

Ms. Hudson highlighted significant upcoming project in FYE 20 as follows:

- 201 West Gray, Building A Generator (\$121,000);
- Security System Replacement and Expansion (\$300,00 (Year 3 of 4);
- Police Range Berm Renovation Design (\$132,000);
- 710 Asp Avenue Parking Project (\$954,000 Year 3 of 3);
- 36th Avenue S.E.: Cedar Lane to State Highway 9 Right-of-Way/Utilities (\$530,000);
- Flood Avenue Multi-Modal Path Construction (\$150,000);
- Imhoff Road and Constitution Street Design/Utilities (\$600,000);
- Porter Avenue and Acres Street Intersection Right-of-Way (\$250,000);
- I-35 Corridor Study (\$300,000);
- 24th Avenue East Bond Project (\$13,007,510);
- 36th Avenue N.W. Bond Project (\$16,920,510); and
- Municipal Complex Renovation/Expansion (\$11,250,000 with General Obligation (GO) Bond Revenues).

Councilmember Clark asked if GO Bonds funds intended for a Senior Center at the Central Library location could be used for the Municipal Complex Renovation since senior citizens do not want to use that building and Mr. Anthony Francisco, Director of Finance, said Staff is hoping to be able to use the full authorization of \$11.25 million if another funding source is identified for a Senior Center. Councilmember Clark asked when Staff will know if they can use the money and Mr. Francisco said by the close of FYE 2019 Mr. Francisco said if there is not a definitive funding source for a Senior Center by the close of FYE 2019, the remaining authorization of \$1.3 million in bonds cannot be sold; however, once a funding source has been identified for a Senior Center the City can authorize the issuance of the remaining bonds. He said there is a cost for issuing bonds so Staff hopes to issue all bonds at the same time.

Ms. Hudson said upcoming recurring sidewalk projects in FYE 20 include the Sidewalk Program for Schools/Arterials - \$80,000; Sidewalk Accessibility Project - \$30,000; Citywide Sidewalk Project \$50,000; Downtown Area Sidewalk Project - \$50,000; Sidewalks and Trails - \$120,000; and Horizontal Saw Cut Program - \$50,000.

Upcoming Fund 50 Capital recurring projects in FYE 20 include

- Capital Outlay - \$3,428,934;
- Street Maintenance - \$2,305,377;
- Maintenance of Existing Facilities - \$211,500;
- Stormwater Drainage Maintenance - \$765,000;
- Personnel - \$1,601,644;
- Oklahoma Department of Transportation (ODOT) Audit Adjustments - \$100,000;
- Americans with Disabilities Act (ADA) Sidewalk Compliance and Repair - \$100,000;
- Bridge Maintenance - \$100,000;

- Driveway Repairs - \$10,000;
- Street Striping - \$100,000;
- Traffic Calming - \$50,000;
- Greenbelt Acquisition - \$50,000;
- Community/Neighborhood Improvements - \$100,000; and
- Building Maintenance Mechanical/Electrical - \$50,000.

Councilmember Clark said traffic calming was cut from the budget last year and asked if there are enough viable requests to continue this program and Mr. Lombardo said yes.

Councilmember Hickman said a line item for alleyway improvements of \$100,000 had been cut from the budget a few years ago and he would like to see that added back into the budget and Mr. O'Leary said Staff would add that back into the budget.

Councilmember Castleberry asked how much money is in the Greenbelt Acquisition Fund and Mr. Francisco said approximately \$204,000.

Councilmember Castleberry said he would like to increase the funds for the ADA Sidewalk Repair Program so he would like to build up those funds to roll over each year so when needs arise there will money available.

Councilmember Hickman said if the Transportation and Stormwater Bonds pass in April and PayGo funds are freed up, he would propose placing \$500,000 in the ADA Sidewalk Program, \$500,000 in the Greenbelt Acquisition Fund, and hold the other \$2 million for to-be-determined projects. He would like the City to develop a more aggressive plan for greenbelt acquisition to look at acquiring undeveloped parcels along urban creeks. Mr. Shawn O'Leary said there are also Federal Emergency Management Agency (FEMA) grants (80/20 matching funds) available for buyout of repetitively flooded properties.

Ms. Hudson provided an update on City Council project requests that included Historic Museum Building Repairs – Fund 23; Gray Street Parking Lot – included in budget; Legacy Park Parking – project currently under design; Brooks Street and Classen Boulevard Sidewalk Project – project currently under design; and Animal Welfare HVAC Project – included in budget.

Councilmember Hickman asked the status of two projects funded two years ago, the Flood Avenue Sidewalk Project from Downtown Norman to Acres Street and the Classen Boulevard Sidewalk Project from Classen Boulevard to Brooks Street or Lindsey Street. Mr. Lombardo said those projects were submitted for federal funds and Staff is expecting to find out how they fared in mid-March. Councilmember Hickman asked what the local cost would be if federal funds did not come through and Mr. Lombardo said \$200,000 to \$300,000 per project. Councilmember Hickman said if federal funds were not approved, he would like to find a way to fund those projects. He said these are important sidewalk projects on major thoroughfares and there are serious pedestrian safety issues as well. Mayor Miller said she has concerns about funding projects before the City finds out if federal funds will be available.

New projects proposed for funding in FYE 20 include City File System Hardware Replacement - \$400,000; Little Axe Sports Complex Improvements - \$150,000; 12th Avenue Recreation Center

Outdoor Courts Renovation - \$120,000; and Recreation Centers (three) Signage and Interior Upgrades - \$60,000 (Year 1 of 3).

Councilmember Clark asked if the outdoor courts at 12th Avenue Recreation Center would be for tennis and Mr. Jud Foster, Director of Parks and Recreation, said two courts will be for tennis and two will be for pickleball. Councilmember Clark asked if the other three recreation centers scheduled for signage are Irving, 12th Avenue, and Whittier and Mr. Foster said yes. Councilmember Clark asked what happened on discussions about turning over Irving and Whittier Recreation Centers to Norman Public Schools or re-evaluating that relationship. Mr. Foster said because the recreation centers were funded with GO Bonds, Bond Counsel has stated the City cannot transfer ownership and would have to sell the recreation centers to NPS at fair market value and the school is not in the position to pay fair market value.

Councilmember Hickman said NPS has asked about the City deeding over the gym at Norman High School and Mr. Foster said it is the same issue. Councilmember Hickman said in his opinion, the fair market value should be zero since the gym is in the middle of their facility. Can the City explore a fair market value of one dollar?

Councilmember Holman said the City used to hold various art and recreational classes in the gym and asked if any groups still use the gym for anything since it is owned by the City and Mr. Foster said the City at one time held classes there, but NPS renovated their facility and enclosed the gym. This made it a security issue for the school and the City of Norman classes were relocated to the 12th Avenue Recreation Center. He said NPS is taking care of all maintenance for the gym so the City is not spending any money on the gym and City programs are no longer held there.

Ms. Hudson highlighted other new projects proposed for FYE 20 as follows:

- Snow and Ice Control Program – Pre-Treatment (Brine) Operation (\$300,000)
- Lindsey Yard Improvements – Shop Extension (\$625,000)
- Compressed Natural Gas Facility Gas Drive Replacement (\$310,000)
- Fleet Exhaust Hose Renovations (\$65,000)
- Fleet Bay Lighting (\$13,406)
- 12th Avenue S.E. and Alameda Street Intersection Study (\$50,000)
- Fleet Breakroom Renovation (\$34,200)
- Boyd Street and Classen Boulevard Intersection Study (\$50,000)
- Alameda Street, Crawford Avenue, and Apache Street Intersection Study (\$50,000)
- West Gray Street Parking Lot – 52 spaces (\$350,000)
- I-35 Corridor Study (\$300,000)
- 2019 Transportation Bond Proposal (\$72,000,000)
- 2019 Stormwater Bond Proposal (\$60,000,000)
- Fire Stations Nos. 1, 2, and 4 Overhead Door Replacement (\$34,200)
- Fire Station No. 4 Rehabilitation (\$17,000)
- Fire Station No. 2 Rehabilitation (\$39,982)
- Fire Station No. 10 Eastside (\$5,175,000 - does not include fire apparatus and personnel)
- Animal Welfare HVAC (\$250,000)
- Animal Welfare Incinerator Repair (\$12,500)
- Animal Welfare Facility Improvements (\$40,000)

- Police Special Investigation Section Window Repair (\$5,000)

Upcoming challenges include April Vision for Norman Vote; I-35 Corridor Study, Phase 2; Senior Center; Municipal Complex Renovations; NORMAN FORWARD Griffin Park Land Acquisition; NORMAN FORWARD Indoor Aquatic Center/Multi-Sport Facility Land Issues; Website Upgrade During Project; Regional Transit Authority; New Traffic Signals on State Highways and City Arterials; Fleet Replacement; and Fire Station No. 10.

Ms. Hudson said a 2013 Fleet Study recommended a \$6.4 million annual budget for fleet replacement and the City is still not meeting that recommendation.

Items submitted for the record

1. PowerPoint presentation entitled, "Capital Fund 50, FYE 2020 Capital Budget, FYE 2021-2024 Plan," dated February 23, 2018
2. Capital Fund 50 Summary

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The meeting adjourned at 6:29 p.m.

ATTEST:



City Clerk



Mayor

