

CITY COUNCIL STUDY SESSION MINUTES

November 16, 2021

The City Council of the City of Norman, Cleveland County, State of Oklahoma, met in a study session at 5:00 p.m. in the Municipal Building Executive Conference Room on the 16th day of November, 2021, and notice and agenda of the meeting were posted at the Municipal Building at 201 West Gray 48 hours prior to the beginning of the meeting.

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| PRESENT: | Councilmembers Foreman, Hall, Holman, Lynn, Peacock, Schueler, Studley, Tortorello, Mayor Clark |
| ABSENT: | None |

Item 1, being:

CONTINUED DISCUSSION REGARDING THE LEASE AND/OR SALE OF PROPERTY LOCATED AT 101, 112, 113, 115, 116, AND 118 WEST GRAY STREET.

Ms. Kathryn Walker, City Attorney, said this item was first discussed on November 2, 2021, and Staff received feedback from Council on their preference for a long-term lease or sale of the property with “right of first refusal” if sold in the future. She said a lot of details need to be worked out with Factory Obscura representatives, but for the City it will be all about the numbers, i.e., what would a lease price look like, what would a sales price look like, what are the benefits, what jobs will be created, etc. The City will be looking at performance standards based on projections provided by Factory Obscura and Factory Obscura is trying to determine their best options as well.

Mr. Darrel Pyle, City Manager, said the State Department of Commerce identifies “quality jobs” as paying \$17 per hour plus benefits. He said if that is the range, or better, the City may potentially be able to pursue payroll incentives through the State to encourage Factory Obscura to create those types of quality jobs in Norman.

Mr. Pyle said the location being considered is currently occupied by the Facility Maintenance Department as well as being used for long term storage; however, the City has an option to move the Facility Maintenance Department into similar space near North Base.

Councilmembers were interested in continuing discussions with Factory Obscura.

Item 2, being:

DISCUSSION REGARDING STATUS OF THE FYE 2022 CAPITAL IMPROVEMENTS PROGRAM BUDGET AND PREPARATION OF FYE 2023 CAPITAL IMPROVEMENTS PROGRAM BUDGET.

Ms. Kimberly Coffman, Budget Manager, said Council is being updated tonight on the proposed FYE 2022 and FYE 2023 Capital Improvement Program (C.I.P.) Budget and introduced Mr. Jacob Huckabaa, Budget Technician. Mr. Huckabaa said the purpose of the C.I.P. is to support services of municipal government. Projects, such as land use, transportation, parks, water wastewater, greenways, stormwater, etc., are identified in Long Range Master Plans reviewed by citizens and adopted by Council. Priorities are set by Council and short range plans go into a one-year adopted Capital Budget and long range plans go into a five-year Capital Plan with proposed schedules of implementation and available funding sources. The C.I.P. plans and budgets are adopted annually and emergency or high priority unanticipated project needs can be added through re-allocation or appropriation of funds by Council. Sources of revenue for all funds include Enterprise Funds; voter-approved general obligation bond proceeds; Capital Sales Tax; NORMAN FORWARD Sales Tax; Public Safety Sales Tax; University North Park Tax Increment Finance District (UNPTIF); intergovernmental grants; Room Tax; private funds; and others.

Mr. Huckabaa said a Capital Project is generally a project that costs more than \$100,000; is relatively fixed or permanent in nature; is an asset with a life expectancy of more than five years; usually consists of the construction of a new, expanded, or improved tangible asset; often takes more than one fiscal year to complete; and may require contracted services for design, land acquisition, and utility relocations in advance of construction.

Capital Outlay is expenses for maintaining or purchasing new or replacing tangible assets which have an expected life of one to five years; a one-time occurrence and expenses usually occur within a single fiscal year, such as vehicles, furniture, computers, and equipment; and Capital Outlay projects paid by the Capital Fund are expended from the General Fund and Westwood Fund with capital sales tax funds transferred to cover the costs.

Mr. Huckabaa highlighted all funds included in the CIP Budget as follows:

Special Purpose Capital Funds

- Public Safety Sales Tax Fund (PSST)
- Community Development Block Grant (CDBG) Fund
- Special Grants Fund
- Room Tax Fund
- Public Transportation and Parking Fund
- Capital Fund (Pay-As-You-Go or PAYGO)
- Capital Fund (General Obligation (G.O.) Bonds)
- NORMAN FORWARD Sales Tax Fund
- Park Land and Development Fund
- University North Park Tax Increment Finance (UNPTIF) District Fund
- Arterial Road Recoupment Fund
- Center City Tax Increment Finance District (CCTIF) Fund

Item 2, continued:

Mr. Huckabaa said funds included in the C.I.P. Budget include the Water Fund; Water Reclamation Fund; Sanitation Fund; Sewer Maintenance Fund; and New Development Excise Tax Fund.

Revenue sources for all funds in FYE 2022 include User Fees – 22.08%; Capital Improvement Charge – 0.92%; Sewer Maintenance Rate – 5.33%; Sewer Excise Tax – 1.88%; Capital Sales Tax – 19.20%; Tax Increment Financing – 1.28%; Public Safety Sales Tax – 4.36%; NORMAN FORWARD Sales Tax – 9.50%; Room Tax – 0.29%; Bonds – 34.05%; Grants – 0.62%; and Community Park Fee – 0.18% for total revenues of \$241,343,069.

Expenditures for all funds in FYE 2022 include Capital Outlay – 3.43%; Maintenance of Existing Facilities – 0.17%; Personnel and Services – 1.03%; Street Maintenance – 1.82%; Transportation – 20.81%; Buildings and Grounds – 32.76%; Parks and Recreation – 12.07%; Water Reclamation – 10.21%; Sanitation – 0.66%; Stormwater – 2.17%; and Water – 14.87% for total expenditures of \$241,343,069.

Mr. Huckabaa said the Capital Improvements Fund was established in 1976 to account for capital projects funded by capital sales tax receipts, general obligation bond issues, or specific matching funds (i.e., private and donations). These projects support services that do not have dedicated special revenues, such as Enterprise Funds. Those projects relating to Enterprise Funds, funded with fees and charges, or special revenue sources are accounted for in their respective Enterprise Funds. He said approximately 70% of one percent (0.7%) of sales tax was set aside for capital improvements in September 1976, and those projects approved for construction with this funding are accounted for in the Capital Improvements Fund.

Capital sales tax guidelines to allocate revenue include existing facility maintenance – 5%; general contingency – 7%; Capital Outlay – 27%; street maintenance – 25%; and other projects and debt service – 36%.

Mr. Huckabaa highlighted the status of the Capital Fund as follows:

- Capital Fund PayGo
 - FYE 22 estimated available for new projects is negative \$5,879,006
 - FYE 23 projected available for new projects is negative \$3,595,652
 - FYE 24 projected available for new projects is negative \$2,302,934
- Capital Fund Bonds
 - Bond reserves are unbalanced – some positive and some negative and Staff is evaluating how to balance those currently unbalanced

Item 2, continued:

Ms. Coffman said significant projects closed (completed and all bills paid) in FYE 22 include Emergency Communication Center (ECC) Radio Project (closed in June 2021, with \$1,000,000 balance transferred to Emergency Operations Center); Americans with Disabilities Act (ADA) Transition Plan – sidewalks on south side of Main Street (\$53,000); Sidewalks and Trails along 24th Avenue N.E. (\$85,000); and Legacy Park Parking Lot (\$175,000).

Significant projects completed (work finished but not all bills paid) in FYE 22 include Total Maximum Daily Load (TMDL) Compliance and Monitoring Plan Implementation, Year Five (\$300,000); Asp Avenue Parking Lot (\$934,000); State Highway (SH) 9 Multi-Modal Path between 36th Avenue East and 48th Avenue East (\$950,700); Vicksburg Storm Pipeline Replacement (\$1,077,800); 12th Avenue N.E. Traffic Signal Interconnect between Alameda Street and Robinson Street (\$293,000); 24th Avenue East Bond Project (\$14,938,870); Creston Way and Schulze Stormwater Improvements (\$470,000); Legacy Trail Extension along 24th Avenue N.W. and 36th Avenue N.W. (\$980,500); Sidewalks on Hal Muldrow Drive (\$96,000); and Sidewalks on Stubbeman Avenue from Robinson Street to Timberwolf Trail, Phase I (\$54,000).

Significant projects underway in FYE 22 include Transit/Parks/Emergency Vehicle Maintenance Facilities (\$10.7 million); TMDL Compliance and Monitoring Plan Implementation, Year Six (\$300,000); Lake Thunderbird TMDL Data Analysis and Plan Update for Years One through Five (\$207,160); Engineering Design Criteria Update and Green Stormwater Infrastructure Review (\$275,000); Fire Station 9 – finishing miscellaneous small items, Fire Administration Building Renovation (85% complete); Porter Avenue and Acres Street Intersection (\$3,675,000); Comprehensive Land Use and Transportation Plan Update (\$150,000); Merkle Creek Channel Stabilization (\$342,500); and Imhoff Road Bridge Emergency Repair Project (\$1,440,695).

Projects under construction in FYE 22 and FYE 23 include Municipal Complex Renovation (\$9,971,465); 36th Avenue N.W. Utility Relocation (\$17,950,000); I-35 and Robinson Street West Side – including Oklahoma Department of Transportation (ODOT) match (\$5,300,000); Classen Boulevard Sidewalks from Boyd Street to 12th Avenue S.E. (\$229,296); Flood Avenue Sidewalks from Gray Street to Acres Street (\$250,000); Porter Avenue Streetscape (\$4,226,323); Imhoff Creek Stabilization (\$3,500,000); Traffic Management Center (\$3,000,000); Constitution Street Multi-modal Path (\$1,100,000); James Garner Avenue, Phase II – Flood Avenue to Acres Street; ADA Transition Plan – 24th Avenue N.W. from Main Street to Robinson Street, Phase I (\$312,000); and C.I.P. Sidewalks on Alameda Street between Porter Avenue and 12th Avenue N.E.

Item 2, continued:

Ms. Coffman said the 2012 Transportation/Stormwater Bond Program and their actual costs include the Cedar Lane Road: 12th Avenue S.E. to one-half mile east of 24th Avenue S.E. - \$10,048,310; Lindsey Street: 24th Avenue S.W. to Berry Road - \$42,135,770; Franklin Road Bridge: one-half mile west of 12th Avenue N.W. - \$4,219,680; 12th Avenue S.E.: SH 9 to Cedar Lane Road - \$3,393,780; Main Street Bridge: one-half mile west of 36th Avenue S.W. - \$7,038,000; 24th Avenue East: Lindsey Street to Robinson Street - \$14,938,870; 36th Avenue N.W.: Tecumseh Road to Indian Hills Road, Phase I, to begin construction in Spring 2022 (cost to be determined) and Phase II, to begin construction in Spring 2023 (cost to be determined); and Alameda Street: one-half mile east of 24th Avenue S.E. and 48th Avenue S.E. to begin construction in Spring 2022 (cost to be determined). She said the total bond program budget is \$81,774,410.

The 2012 Transportation/Stormwater Bond Program Budget strategy consists of a total bond budget of \$42,500,000 with current projections of \$48,300,000 for an estimated deficit of \$5,800,000. Ms. Coffman said proposed additional program budget revenue/savings include savings from remaining bond projects - \$1,511,000; transfer of surplus funds from 2010 Street Maintenance Bond Program - \$2 million; transfer of surplus funds from 2016 Street Maintenance Bond Program - \$1.5 million; recoupment fees, deferral fees, traffic impact fees - \$505,000; additional contributions from Norman Utilities Authority (NUA) for waterline relocations - \$0.00 (additional funds of \$500,000 applied to 24th Avenue East Waterline Relocation Project; and other State/Federal Grants - \$300,000 for a total of \$5,816,000.

The 36th Avenue N.W. Project from Tecumseh Road to Indian Hills Road consists of widening two miles of roadway from two-lane to four-lane; adding new traffic signals at 36th Avenue N.W. and Franklin Road and 36th Avenue N.W. and Indian Hills Road; stormwater improvements; continuous sidewalks and accessibility; and improving access to Ruby Grant Park. Construction is pending due to a delay in federal funding; however, the project is shovel ready.

The East Alameda Street Bond Project is also shovel ready and funds to complete this project include 2012 Transportation Bond (\$1,105,000), 2016 Street Maintenance Bond Surplus Funds (\$3,020,000), and 2021 Street Maintenance Bond Program (\$216,480). Funding can be allocated and project bids can take place in December for a March 2022 construction start with Council's approval.

Ms. Coffman provided project status on the FYE 20/21 Street Maintenance Bond Program that includes Porter Avenue and Acres Intersection Improvements – bond budget - \$3,675,000/current estimated cost - \$3,329,280; Traffic Management Center – bond budget - \$3,366,000/current estimated cost - \$3,366,000; Porter Avenue Streetscape – bond budget - \$2,471,000/current estimated cost - \$4,226,323; Gray Street Two-Way Conversion – bond budget \$4,816,000/current estimated cost - \$4,270,000; James Garner Avenue Improvements from Acres Street to Duffy Street – bond budget - \$4,853,440/current estimated costs – to be determined; Jenkins Avenue from Imhoff Road to Lindsey Street – bond budget - \$9,601,000/current estimated costs – to be determined; and Constitution Street: Jenkins Avenue to Classen Boulevard – bond budget - \$2,643,260/current estimated cost – to be determined.

Item 2, continued:

The Porter Avenue and Acres Street Intersection Project consists of adding turn lanes; pedestrian/sidewalk improvements; streetscape improvements; safety and sight distance improvements; and new signal at intersection. Construction began in November 2020, and is anticipated to be completed in December 2021, for a total estimated cost of \$2,329,280 (funded by 2019 G.O. Bonds and federal grant).

The Porter Avenue Streetscape Project consists of decorative lighting, pedestrian and ADA improvements; decorative concrete sidewalks; new bus stop; placemaking gateways; and landscaping. Construction is anticipated to begin in the Summer of 2022, with completion anticipated in the Summer of 2023, for a total estimated cost of \$4,226,323 (funded by 2019 G.O. Bonds and federal grant).

The James Garner Avenue Project, Phase II, consists of decorative lighting; new bridge over Robinson Street; extension of Legacy Trail; landscaped median; and limited access to express route to Downtown Norman. Construction is anticipated to begin in the Summer of 2022, with completion anticipated in the Summer of 2023, for a total estimated cost of \$6,305,000.

The I-35 and Robinson Street Project is a UNPTIF funded project that consists of new westbound turn lanes, shifting intersection 225 degrees southward, new eastbound lane (terminating right turn lane), and new eastbound lane just east of the bridge for a total cost of \$6,125,207. Construction began in April 2021, and is anticipated to be completed in February 2022.

Ms. Coffman highlighted the FYE 2016-2021 Street Maintenance Bond Program (five-year, \$25 million) as follows:

- Street Maintenance (Year One) 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 Two) FYE 2018
 - Urban Asphalt Pavement (100% complete)
 - Urban Concrete Pavement (100% complete)
 - Rural Road Rehabilitation (100% complete)
 - Urban Road Reconstruction (100% complete)
- Street Maintenance (Year Three) FYE 2019
 - Urban Asphalt Pavement (100% complete)
 - Urban Concrete Pavement (100% complete)
 - Rural Road Rehabilitation (100% complete)
 - Urban Road Reconstruction (100% complete)
- Street Maintenance (Year Four) FYE 2020
 - Urban Asphalt Pavement (100% complete)
 - Urban Concrete Pavement (100% complete)
 - Rural Road Rehabilitation (100% complete)
 - Urban Road Reconstruction (100% complete)

Item 2, continued:

The FYE 2016-2021 Street Maintenance Bond Program (five-year, \$25 million) continued:

- Street Maintenance (Year Five) FYE 2021
 - Urban Asphalt Pavement (100% complete)
 - Urban Concrete Pavement (100% complete)
 - Rural Road Rehabilitation (100% complete)
 - Urban Road Reconstruction (100% complete)

The preliminary audit in October 2021, depicts a surplus balance of \$6,960,000, which must be used for street maintenance so Staff is proposing \$1.5 million to 2012 Transportation Bond Program, \$3 million to East Alameda Bond Project, and \$2.4 million for additional street maintenance in neighborhoods.

Ms. Coffman highlighted the FYE 2021-2026 Street Maintenance Bond Program (five-year, \$27 million) as follows:

- Street Maintenance (Year One) FYE 2022
 - Urban Asphalt Pavement (complete)
 - Urban Concrete Pavement (under construction)
 - Rural Road Rehabilitation (under construction)
 - Urban Road Reconstruction (under construction)
- Street Maintenance (Year Two) FYE 2023
 - Urban Asphalt Pavement
 - Urban Concrete Pavement
 - Rural Road Rehabilitation
 - Urban Road Reconstruction
- Street Maintenance (Year Three) FYE 2024
 - Urban Asphalt Pavement
 - Urban Concrete Pavement
 - Rural Road Rehabilitation
 - Urban Road Reconstruction
- Street Maintenance (Year Four) FYE 2025
 - Urban Asphalt Pavement
 - Urban Concrete Pavement
 - Rural Road Rehabilitation
 - Urban Road Reconstruction
- Street Maintenance (Year Five) FYE 2026
 - Urban Asphalt Pavement
 - Urban Concrete Pavement
 - Rural Road Rehabilitation
 - Urban Road Reconstruction

Item 2, continued:

Upcoming Capital Project Fund recurring sidewalk projects proposed in FYE 2023 include Sidewalk Program for Schools and Arterials - \$80,000; Sidewalk Accessibility Projects - \$30,000; Citywide Sidewalk Projects (50/50 Sidewalk Repair Program) - \$100,000 (increased from \$50,000); Downtown Area Sidewalk Project - \$50,000; Sidewalks and Trails - \$120,000; and Horizontal Saw Cut Program - \$40,000 for total expenditures of \$420,000. Staff is requesting the Citywide Sidewalk Project budget be increased from \$50,000 to \$100,000 because \$100,000 will be expended by December 2021, due to addressing citizen requests. Mr. Scott Sturtz, City Engineer, said citizens are becoming more aware of the 50/50 Sidewalk Repair Program and Staff is addressing more requests from residents for sidewalk repairs.

Bridge Maintenance Program Projects completed in FYE 2021 include 156th Avenue N.E.; West Rock Creek Road; West Brooks Street; East Boyd Street; 72nd Avenue S.E.; and Concord Drive. Completed projects for FYE 2022 include 48th Avenue S.E. and Cedar Lane Road. The Imhoff Road bridge was originally identified for maintenance in FYE 2022; however due to unforeseen structural damage making it unsafe for vehicles, the bridge was closed and is currently being repaired. It is anticipated to be completed and reopened in March 2022. Ms. Coffman said Norman has 77 bridges with 15 bridges needing full replacement; 12 bridges are structurally deficient; four bridges are functionally obsolete; three bridge are “at risk” of becoming structurally deficient; and six bridges have load postings of less than 23 tons. Total program costs are expected to be \$40 to \$50 million over a ten-year construction period. Staff is currently working to establish a detailed project scope and cost estimates as well as exploring funding options.

Staff has identified 31 future traffic signal intersections, nine of which are controlled by ODOT and 22 controlled by the City. Many of these intersections have funding available through traffic impact fees collected from developments.

Staff is proposing a City Vehicle Wash Facility that will reduce operational costs for City departments and reduce environmental impacts of vehicle washing by allowing water to drain into a sanitary sewer collection system rather than onto an impervious surface. Mr. Shawn O’Leary, Director of Public Works, said this facility is needed more than ever since inheriting the bus transit system as buses are washed every night. Ms. Coffman said the annual cost of vehicle washing is currently \$100,000 and the cost of a new facility would be an estimated \$1,500,000. Current funding identified includes Norman Utilities Authority (NUA) Wash Facility Funds - \$540,000 and Federal Transportation Administration (FTA) American Rescue Plan Act (ARPA) Funds - \$480,000. An additional \$480,000 in funding will need to be identified.

The City Compressed Natural Gas (CNG) Fueling Facility was constructed and registered with the Oklahoma Corporation Commission (OCC) in 1998. The fiberglass reinforced underground storage tanks have a life expectancy and warranty of 30 years or 2028, and holds 10,000 gallons of diesel and unleaded fuel. The facility dispenses approximately 500,000 gallons of fuel annually to over 793 City vehicles and equipment. The fuel line encasements have failed, which is allowing groundwater to lay on top of the pumps so critical repairs will be needed within the next three years for an estimated cost of \$350,000 to \$500,000. Also, alternative fuels, such as ethanol and biodiesel are not available due to lack of tanks and there is currently no option to store bulk Diesel Exhaust Fluid (DEF). The fuel islands are deteriorating as well and is expected to cost \$1,650,000 to replace.

Item 2, continued:

Ms. Coffman said the City Vehicle Replacement Program consists of replacement of 35 units in FYE 2017 - \$3,046,969; 27 units in FYE 2018 - \$2,383,036; 29 units in FYE 2019 - \$2,045,471; 36 units in FYE 2020 - \$1,991,083; 27 units in FYE 2021 - \$2,150,365; and 33 units in FYE 2022 - \$2,179,732.

Due to time constraints, Council will continue this budget discussion at the next Finance Committee meeting.

Items submitted for the record

1. PowerPoint presentation entitled, "FYE 2022 Capital Improvement Program, Program Budget Status, Preparation of FYE 2023 C.I.P., Preparation of FYE 2024 – 2027 Capital Improvements Plan"

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The meeting was adjourned at 6:23 p.m.

ATTEST:

City Clerk

Mayor