



City of Broken Arrow

Minutes

City Hall
220 S 1st Street
Broken Arrow, Ok

City Council Special Meeting

Mayor Craig Thurmond
Vice-Mayor Scott Eudey
Council Member Mike Lester
Council Member Johnnie Parks
Council Member Debra Wimpee

Tuesday, May 8, 2018

Time 4:30 p.m.

Council Chambers

1. Call to Order

Vice Mayor Scott Eudey called the meeting to order at approximately 4:30 p.m.

2. Invocation

No Invocation.

3. Roll Call

Present: 4 - Debra Wimpee, Johnnie Parks, Mike Lester, Scott Eudey
Tardy: 1 - Craig Thurmond

4. Pledge of Allegiance to the Flag

Council Member Lester led the Pledge of Allegiance to the Flag.

5. General Council Business

A. 18-554 Consideration, discussion and possible award of the lowest responsible base bid and Add Alternates 1 and 2 to Crossland Heavy Contractors, and approve and authorize execution of a construction contract for East Nashville Street (Project No. ED1701)

Vice Mayor Eudey introduced Mr. Alex Mills, Director of Engineering and Construction, to explain this item. He informed the Council this item was to approve an award of the contract to build East Nashville Street which was an industrial collector road heading east from Ninth Street and south of the Alfa Laval, Inc. property. He reported Alfa Laval had donated the right of way required for this industrial road.

Mr. Mills continued he was unsure of the level of funding available and concerned about the potential bid prices, so the project was broken into base bid and Add Alternates, so that a portion of the project could be awarded if need be. He reported the bids came in better than expected with the lowest bid from Crossland Heavy Contractors with a base bid of \$87,152.05 and Add Alternate of \$512,862.66 and an Add Alternate of \$115,985.29 for a total of \$1,507,000. The engineers' aspect for the total was \$1,905,487.36. The funding for the project included the State of Oklahoma's commitment of \$1.4 million out of the Industrial Access fund, and the City of Broken Arrow has available \$500,000 from Sales Tax Capital Improvements fund (STCI) for a total of \$1.9 million. He added out of those funds \$202,000 was spent on design, \$80,000 had been reserved for the materials for the water line that would be built down the roadway with city forces to be used to build the water line. This left \$1.618 million for the construction of the roadway. Since the total bid was less than this figure, he recommended awarding the entire bid to Crossland Heavy Contractors.

Council Member Parks asked if the city had gotten the State funds, and Mr. Mills responded affirmatively.

Vice Mayor Eudey confirmed that the bid was essentially \$400,000 less than the engineers' estimate, and Mr. Mills responded affirmatively.

MOTION: A motion was made by Mike Lester, seconded by Debra Wimpee.

Move to award the lowest responsible bid to Crossland Heavy Contractors and approve and authorize execution of a construction contractor for East Nashville Street

The motion carried by the following vote:

Aye: 4 - Debra Wimpee, Johnnie Parks, Mike Lester, Scott Eudey

B. 18-539 Consideration, discussion and possible approval of the proposed list of projects for the 2018 General Obligation Bond Issue

City Manager, Michael Spurgeon, thanked the City Council for agreeing to have the special meeting. He stated last Friday a pre-final list of proposed projects and initiatives had been completed which the administration was recommending for consideration for the 2018 General Obligation Bond vote, which was still to be passed by resolution on August 28, 2018. He informed the Council the packet contained projects totaling \$210,500,000.

City Manager Spurgeon called on Kenny Schwab, Assistant City Manager of Operations, to give the Council a quick update on the package and a few other items.

Mr. Schwab began by reviewing the dates of the prior meetings and what had been accomplished at each. He stated there had been a Special Council meeting on January 13, 2018; three public meetings had been held to get input on February 22, 26, and 27, 2018; an Ad Hoc Committee Meeting with the City Manager and some residents throughout the community on March 27, 2018; the City Council meeting on April 17, 2018, where the project was presented and the amount of \$222 million; a Public Input Meeting was held on April 23, 2018, to try to get down to the target of \$210 - \$211 million. He stated the packet before the Council as of today had been reduced by over \$11 million.

Mr. Schwab presented each of the five propositions and the reductions which had been made to each. In summary, Proposition 1, three projects (Historical Museum Phase II, Creative Arts Museum Phase II, and Land Acquisition for City Hall) had been eliminated in the amount of \$7,500,000. Proposition 2 combined two projects (Jail Facility Expansion and Renovations) and was reduced by \$250,000. Proposition 3 reduced 1 project in the amount of \$1,000,000 and the Arrowhead Park complete trail system by \$1,000,000, and added \$1,000,000 to Indian Springs Sports Complex – Soccer. Proposition 4 reduced projects in the amount of \$1,250,000. Project 5 reduced or eliminated or added seven projects in the amount of \$1,545,000, which included reducing New Orleans: Garnet to Olive, eliminating Downtown Alleyway Improvements, eliminating BA Expressway/Elm Pl – Pedestrian Way Improvements, reducing Broken Arrow/County Joint Street Projects, reducing Sidewalk Improvements, Adding to Downtown Infrastructure, and adding Washington Street: 23rd to New Orleans.

Mr. Schwab indicated the total for the package was \$210,545,000, which was on target so there would be no tax increase. He pointed out that on the Council's spreadsheet on the right were the projects which staff recommended to name in the bond and what could be unnamed in the bond. He reminded the Council that by State law, they must name 70% of the projects. He stated this was the recommendation to the Council, and if there was a project which the Council felt needed to be named or should not be named, he would welcome the input.

Council Member Parks asked if New Orleans was 101 Street, and the response was affirmative. He asked which street was being worked on as New Orleans and Washington Street were parallel. Mr. Schwab responded that they were parallel, but then Washington Street curved and became University Boulevard. It was decided this needed to be clarified.

City Manager Spurgeon continued there were four drainage projects being proposed which would have to be treated differently because of how they had been identified. He explained if the city went forward with these four projects it would require a separate proposition because a higher percentage of voter approval was necessary. He asked Mr. Schwab to explain this further.

Mr. Schwab instructed that under state statute which governed General Obligation Bonds, there must be 50% or greater votes to approve the bond, and the property must be owned (except for roadways and bridges) in order to spend the public's money through the General Obligation Bond. He indicated he believed this was Statute 1027, and Statute 1026 gave a little more freedom if the property was not owned; money could be spent less restrictively, but the percentage to approve would be 60% of the votes. He indicated that it had come to mind that the last four projects under the storm, Projects 10-13 which included Drainage Improvements in Adam Creek Basin, the Broken Arrow Creek Basin, the Haikey Creek Basin, and Elm and Aspen Basin. He explained those were intended to be a little more flexible; it was a water shed and not necessarily tied down to a specific property. If there was some kind of erosion or bank stabilization or some other type of channelization project which needed to be done on property that was owned by the city, there would not be a problem. However, he explained if it tied into an adjacent property, an easement or dedication was needed. He continued that if the Council proceeded according to Statute 1027, the property would have to be owned outright; but if they elected to do the super majority vote under Statute 1026, then only an easement was necessary.

City Manager Spurgeon reported that several Council Members had talked about drainage areas which needed to be improved in those basins. He recommended to the Council that there be a separate proposition for Projects 10-13 and to promote it in this way. He asked Mr. Schwab to report on the percentages of votes for the last three bond propositions.

Mr. Schwab reported the propositions on Stormwater had only been since the 2008 bonds, which included 2008, 2011, and 2014; and from recollection, the majority of the votes had been around 68% to 71%.

City Manager Spurgeon added in the citizen survey regarding drainage projects, 98% of the 2500 households which responded indicated they would support Stormwater Management. He pointed out that with a strong public education campaign, the additional percentage needed for the projects could be obtained. He called for discussion.

Vice Mayor Eudey commented the majority of calls he got on non-street issues tended to deal with flooding and erosion, and he thought citizen support could be garnered.

Council Member Parks asked if this new proposition would have a title, and City Manager Spurgeon responded they would need to figure that out and let the Council know the title.

Mr. Schwab suggested it be titled Sormwater Conveyance and put the four projects into one proposition.

City Manager Spurgeon stated the Council had made it clear that only 70% of the projects should be named. He reported that projects with the highest priority in terms of public exposure had been reviewed, and he indicated that the recommendations made were based on all the input received. He instructed that if the Council saw something they would like to have named or un-named, changes could be made.

City Manager Spurgeon indicated there was a project which had generated many comments and concerns, and it was the Commemorative Rose Garden. He reported it began at \$7.5 million and was dropped to \$1.5 million. He reported there was still \$500,000 for this project. He commented he would like to see the project go forward and would like to have the Council do a resolution about the value of the project and to recommend that the city try to do something to support it in the future, in addition to making land available. He indicated it was presently an unnamed project.

Council Member Lester asked what the rationale would be for taking this project out. City Manager Spurgeon replied of all the negative comments received, this was one of the projects that the public felt could be eliminated.

Vice Mayor Eudey commented that this was an unnamed project, and so they were not bound to use the money for that purpose if the voters approved the bond issue.

City Manager Spurgeon suggested the Council make it clear that the bonds for this purpose would not be issued until private funding was received. Vice Mayor Eudey responded that since this project was unnamed and it was significantly less than \$7.5 million, he did not feel much angst about it. He asked if it was removed, what would be put in its place.

City Manager Spurgeon explained his thought was if this project was not included, possibly this would give the Council more capacity for future issuance.

Council Member Parks commented that if the project were built the way it was originally intended, it would certainly be an attribute to the downtown area. He continued that he knew the Nelson family, and they had put a great deal of money into this project. He added it was one thing to build it and another thing to take care of it. It would be a big task, but he would like to leave it in as it would help with private fund raising. He pointed out that if the money was not raised to complete the project in five years, then the money could be used in other areas.

Mayor Thurmond indicated that a resolution could be made stating that in the future if "X" amount of dollars was raised, then the Council could provide additional funds. He commented the challenge was for private money to be raised as the project needed \$8 million.

City Manager Spurgeon explained he wanted to leave it in there as well, but he also knew several Council Members wanted to discuss it. He thought \$500,000 was a nice start toward the initiative. Vice Mayor Eudey reiterated the tax payer would not be obligated to pay that money unless it came to fruition.

Council Member Lester commented that the project would help pull the Rose District further south. Council Member Parks commented the Mayor's suggestion to pass a resolution that there could be future money committed if that fund got big enough was a good idea. City Manager Spurgeon affirmed the Commemorative Rose Garden would be left in the Bond Issue, and it would be part of the unnamed projects.

City Manager Spurgeon introduced Acting City Attorney, Trevor Dennis, to present the ordinance for the Council's consideration.

Mr. Dennis reported Mr. Schwab, Mr. Dale and he had had a meeting a week ago to go through the proposed language from the spread sheet, and the language has been updated. There was a draft ordinance which had been proposed, and they were working to be sure the voters understood exactly what was being done and the locations of all the bond projects. He indicated they were still working through addresses and were at a point of being able to preview the ordinance at the May 15th Council meeting, which would give the Council an opportunity to review the language and ask questions before final adoption on June 4th.

City Manager Spurgeon asked Rick Smith, President of Municipal Financial Services, to comment on this package. He indicated this package had been under development for a year or so, and one of the objectives had been to try to get this to where the levy or the ad valorem tax would not go up and the bonds would be issued over a series of years until the authorization was actually exhausted. He pointed out that the city's growth had allowed it to get to this level, and he was very excited about the opportunity to take this to the voters.

City Manager Spurgeon reported there was a state law which had been passed last year that required the city to provide transparency regarding current General Obligation Bond packages which had been previously approved with projects still outstanding. He asked Mr.

Dennis to present this information.

Mr. Dennis informed the Council that in 2017, the Oklahoma legislature had passed the Bond Transparency Act, which required the city to notify the voters on its website of previous bond packages and what the money had been spent on and what had not been completed. He explained it was not certain how far back the city needed to go. He stated a call was in to the Attorney General to get clarification. He reported staff were working back to 2014. He stated much of the information was available and could be put on the website as attachments for the voters to view. He commented his staff was working hard to be compliant.

City Manager Spurgeon pointed out that Broken Arrow would be the first city to comply with this requirement. He reported he did not see any problems with compliance, and it was beneficial as they would be reminding people of what the voters had already approved.

Council Member Parks asked if the bonds had all been sold or just not built yet or were they waiting to be sold to see if they could built. Mr. Dennis responded it would be both.

Vice Mayor Eudey commented the Bond Transparency Act boded well for the city because it demonstrated an ability and willingness to get things moving and would help sell the current bond issue.

City Manager Spurgeon asked his staff if there was anything they wished to discuss and they replied negatively. He asked the Council to consider having a special meeting on May 22, 2018, for two reasons: To look at the ordinance closely and to have a budget discussion for Fiscal Year 2019. Logistics of the date were discussed, and the meeting was set for 4:30 p.m.

MOTION: A motion was made by Mike Lester, seconded by Johnnie Parks.

Move to approve the proposed list of 2018 General Obligation Bond Issue

The motion carried by the following vote:

Aye: 5 - Debra Wimpee, Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

C. 18-555 Discussion and updates on the Broken Arrow History Museum (Museum Broken Arrow)

City Manager Spurgeon reported that the History Museum was having financial challenges coupled with the fact the current director was leaving the organization for another position. He continued that he had learned the Museum Board was in discussion negotiations with an individual who had agreed to serve as interim director for the remainder of the year until the major fund raiser in January. He reported he had checked with the City Attorney and discovered there were some options for the city to assist. He stated his intention had been to discuss these options with the Council, but the Museum Board had asked him to wait until they had further discussed these items.

6. Remarks and Inquiries by Governing Body Members

Mayor Thurmond apologized for being late and informed the Council that he was excited about the fact that Business Weekly did a study of the 40 Safest Cities in the country and Broken Arrow was rated ninth, which showed the commitment of the Public Safety Department including police, firefighters, and citizens who get involved.

7. Remarks and updates by City Manager, including Recognition of Recent Accomplishments by Employees and Elected Officials

City Manager Spurgeon thanked the Council for agreeing to hold this Special Meeting, and he thanked all of the Department Directors for the input on this package, which they had spent a year preparing.

8. Adjournment

The meeting adjourned at approximately 5:15 p.m.

MOTION: A motion was made by Johnnie Parks, seconded by Scott Eudey.

Move to adjourn

The motion carried by the following vote:

Aye: 5 - Debra Wimpee, Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

Attest:

s/Craig Thurmond_____
Mayor

s/Lisa Blackford_____
City Clerk