

**MINUTES OF THE SPECIAL
JOINT WORK STUDY SESSION
HELD BY THE MOORE CITY COUNCIL
THE MOORE PUBLIC WORKS AUTHORITY
AUGUST 28, 2008 – 8:00 A.M.**

The City Council of the City of Moore met at Moore City Hall in the upstairs conference room, 301 North Broadway, Moore, Oklahoma on August 28, 2008 at 8:00 a.m. with Mayor Glenn Lewis presiding.

David Roberts
Councilman, Ward I

Robert Krows
Councilman, Ward I

Kathy McMillan
Councilwoman, Ward II

Janie Milum
Councilwoman, Ward II

Shelia Haworth
Councilwoman, Ward III

Terry Cavnar
Councilman, Ward III

PRESENT: McMillan, Haworth, Cavnar, Roberts, Milum, Lewis
ABSENT: Krows

STAFF MEMBERS PRESENT: City Manager, Steve Eddy; Assistant City Manager, Stan Drake; Finance Director/City Clerk, Jim Corbett; and Community Development Director, Elizabeth Jones.

Agenda Item Number 2 being:

DISCUSS PROPOSED GENERAL OBLIGATION BOND ISSUE FOR STREET IMPROVEMENTS.

Steve Eddy, City Manager, advised that a transportation committee comprised of council members, planning commissioners, and a member from the public met to look at various roadway project needs. The committee looked at streets throughout the City and attempted to prioritize needs. At one point they determined \$100 million in roadway projects existed. Mr. Eddy indicated that the committee completed a shortened list of projects at its last meeting on July 31, 2008, when he became concerned about recent increases in construction costs. At that time he met with the engineers and asked them to review the original cost estimates. They ultimately decided to increase the cost estimates by 20% for inflation for 2009, 2010 and for 2011. Since the costs were obviously higher than anticipated the committee cut some of the proposed projects.

Mr. Eddy indicated that staff would propose an \$18 million general obligation bond issue to be issued over project years 2009, 2010, and 2011.

2009

SW 19 th & Telephone Road with Service Road	\$3,046,000
NE 12 th from Eastern to Bryant	4,200,000

2010

NW 5 th from Markwell to Telephone Road	\$4,452,000
NW 12 th from Janeway to west Service Road	2,333,000

2011

Broadway from N. 5th to N. 18th

\$3,588,000

Issuing the bonds in the approximate amount for each project year would reduce the ad valorem impact by spreading it out over a three-year period.

Mr. Eddy explained in detail what each project would involve.

SW 19th and Telephone to the west I-35 Service Road:

Mr. Eddy related that this project, scheduled for 2009, would widen 19th Street from four to six lanes to make room for dedicated right turn lanes. This would allow drivers easier access to Wal-Mart and Riverwalk Drive. Construction would also include dual left turns and right turn lanes at the intersection. Mr. Eddy stated that this should alleviate traffic congestion by moving traffic to through lanes or turn lanes. A limited amount of sidewalk work would be done. Mr. Eddy asked Assistant City Manager Stan Drake to give an update on the status of the bridge widening project. Mr. Drake indicated that ODOT is working on finalizing the plans and a bid letting is scheduled for January 2009 with a March 2009 start date.

Mr. Eddy related that the bridge project would widen the bridge to five lanes with a right turn lane on the west service road.

Mayor Lewis commented that he had requested that the bridge project not be started until after the Christmas holiday. Mr. Eddy stated that if the voters approve the bond issue the City would immediately begin the engineering on the project. The street project and bridge project would need to be scheduled at different times.

NE 12th from Eastern to Bryant:

Mr. Eddy stated that this 2009 project would widen NE 12th Street from two lanes to four lanes from the park to Bryant with a new bridge constructed over the creek. It would also involve reconstructing the intersection at 12th and Bryant and rebuilding the older portion of 12th Street. Sidewalks would be included in the project.

NW 5th Street between Markwell and Telephone:

Mr. Eddy indicated that this project was scheduled for 2010. NW 5th Street is a major collector street that serves all of Southgate. Mr. Eddy stated this street was not listed as a project because of a capacity issue but a maintenance issue. He advised that the street was in very bad shape. Sidewalks would be added from the school to the park and throughout the project.

Mayor Lewis advised that the school was requiring more children to walk to school instead of ride the bus. Therefore, he requested that the City review where sidewalks are located and where new ones should be constructed. Mayor Lewis also asked if one of the 2010 or 2011 projects would qualify for an ACOG project. Mr. Eddy stated that staff had not submitted any of the projects to ACOG but would certainly check into it.

NW 12th Street between Janeway to W. I-35 Service Road:

Mr. Eddy stated that this was a 2010 project. He advised that the intersection at the W. Service Road has been a problem for some time. He stated that this piece of roadway would be widened to five lanes with

a center turn lane. The intersection at City and 12th does not contain a left turn lane for southbound traffic on City Avenue. With the addition of the new hotel within the next year it would increase the amount of traffic traveling this street. A streetscape project with sidewalks would also be included.

Broadway from N. 5th to N. 18th:

Mr. Eddy indicated that this project was scheduled for 2011. It would involve reconstructing the existing street. Drainage improvements, sidewalks, and a streetscape project would be included.

Also attached was a Historical Net Assessed Valuation chart. Mr. Eddy advised that the number Paul Smith, the City's financial advisor, used included a 5% Net Assessed Valuation Growth. He noted that since 2001 the City has averaged 10% growth. However, this will likely not continue and so 5% was used as a reasonable number. However, if the number stays closer to 10% the millage levies required to service the bonds would go down.

The Historical Sinking Fund Levy chart reflected a huge difference between 1992 and 1993 when it went from 8.14 mills to 25.14 mills due to a \$10 million bond issue approved in 1991. Another example was between 2003 and 2004 when the mills increased from 6.25 to 16.85 due to a bond election. The proposed bond issue would be somewhat different in that the debt would be issued over a three year period. Mr. Eddy indicated that the chart does not reflect the 2009 levy of 6.84. Councilwoman Haworth asked if the City could do something similar to Oklahoma City with the levies to keep it at an even level. Mr. Eddy indicated that Oklahoma City gets a large sum approved and issues so much each year based on the current millage amount.

Mr. Eddy submitted a document which breaks down the three project years with costs calculated for estimated construction costs, bond counsel, financial advisor, printing, ratings expenses, etc. which form the bond amounts and closing costs.

Mr. Eddy then referred to a spreadsheet which reflects the City's current and proposed debt. The City has been attempting to issue relatively short term bonds such as eight or nine years. Mr. Eddy stated that two outstanding G.O. Bonds are from 1999 and 2003. The last bond issue remaining on the books would pay off in 2012. Mr. Eddy explained that this bond was refunded in 1999 from the bond issue approved by the voters in 1991. He stated that this was a 20 year bond issue and it still raised the millage from 8 to 25. Because of this he felt a shorter term would be the best option. The bond issue that was passed last in 2003 pays off in 2011 and the proposed bond issues for 2009, 2010 and 2011 would pay off in 2017 and 2018. The total debt service for principle and interest was shown with an additional 5% growth projection on Net Assessed Valuation with the additional debt added onto the existing debt. The highest millage year would be 2011 at 11.07 because the existing debt won't have been paid off yet.

The next three sheets supplied additional detail on the bonds for 2009, 2010 and 2011. Mr. Eddy noted that Paul Smith used a coupon interest rate of 4% on the first two bonds. However, he believes that with the upgraded rating the City received from Standard and Poors on the bond issue debt will allow the City to get a better interest rate. If we do get a better interest rate it will cause the interest and millage rates to go down.

Mr. Eddy advised that the next document was the Projected Additional Sinking Fund Levy for the 2009 GO bond for ten years in the future. Under this proposal it would not affect the levy until 2010 at which time it would increase the sinking fund levy by 2 mills and so on.

The last sheet sets out the projected tax impact of the proposed \$18 million bond issue. Mr. Eddy advised that the report included several scenarios based on various residential values. The example given for a \$100,000 home would reflect an additional \$2 a month in 2010. In 2011 it would be an additional \$5.75 a month. In 2012 it would be an increase of \$9.45 a month and in 2014 it would be an additional

\$8.99 a month. After that point the amount would begin to drop. Mr. Eddy reminded the Council that these figures are based on an estimated 5% increase in growth and a 4% interest rate. These figures would likely be the highest figures since it is assumed that the City would obtain a better interest rate.

Mr. Eddy handed out an Election Proclamation and Notice which would be on the September 2, 2008 City Council meeting for consideration. This contains the ballot language for the proposition, describes each project and its cost. He noted that the language is important because the City would be compelled legally to do the projects as described.

Councilwoman Haworth asked how the City planned to campaign for passage of the bond issue. Mr. Eddy felt what the City did last time worked well. Two or three public meetings were held to discuss the issue and allow an opportunity to ask questions. Those meetings might begin in October. An informational brochure was put together as a mailer to each household. Presentations were made to the Rotary Club and the senior citizens. Mayor Lewis suggested devoting a show on cable to the proposal. Mr. Eddy stated that the City cannot ask the public to vote a specific way on a proposition. He mentioned that the Chamber of Commerce was helpful in paying for signs that asked the citizens to vote yes on the last bond issue. The City Council members can legally ask for the citizens to vote yes; however, City staff cannot. Mayor Lewis felt that there might be more opposition to this proposal due to the number of new businesses the City has and the great economic development trend the City has experienced. Councilwoman Haworth stated that the committee's theory in including the SW 19th and Telephone Road project was that people would relate to the need to correct the problem with congestion and realize how expensive it would be.

Mayor Lewis asked if the items must be passed at the September 2, 2008 City Council meeting in order to meet the deadline for the November ballot. Mr. Eddy indicated that was true because the deadline to submit the items is September 4, 2008.

Mayor Lewis inquired if staff had a list of projects that were not included on the items proposed for the November ballot. Mr. Eddy indicated that he could certainly supply a list of those street projects. He mentioned a few of the projects that didn't make the final list included another area of 12th Street between Broadway and Eastern, 12th Street between Janeway and Santa Fe, Telephone Road between S. 4th and N. 5th, and Eastern from 27th north to the city limits.

Mayor Lewis spoke with Jim Couch regarding a joint effort on Eastern Avenue. Mr. Couch suggested approaching the Oklahoma Department of Transportation for emergency funds for Oklahoma City's portion of the roadway. Mayor Lewis asked if funds would be available to complete the ½ mile of Eastern. Mr. Eddy indicated that it could possibly be done as an ACOG project. Staff discussed the project with Oklahoma City who currently has it listed as a bond issue project; however, they didn't anticipate doing anything soon.

Mr. Eddy also mentioned a project that needed to be done soon is the reconstruction of 4th and Telephone. The traffic study performed by Steve Hofener recommended dual left turns throughout the intersection. This would be very expensive because it would include acquiring the building on the southeast corner of the intersection. Elizabeth Jones, Community Development Director, also mentioned that the committee looked at Bryant between 4th and 12th Street. Another street project that was discussed was Broadway from 19th to 34th Street.

Councilman Roberts felt that at some point Sunnyside would need to be addressed. Mr. Eddy commented that there were several streets that need to be four-laned. Some of them are in decent shape for a two-lane road and do not have traffic capacity issues.

Agenda Item Number 3 being:

ADJOURNMENT

Councilwoman Haworth moved to adjourn the special work study session, second by Councilwoman McMillan. Motion carried unanimously.

Ayes: McMillan, Haworth, Cavnar, Roberts, Milum, Lewis
Nays: None
Absent: Krows

The meeting was adjourned at 8:46 a.m.

TRANSCRIBED BY:

RHONDA BAXTER, Executive Assistant

RECORDED BY:

JIM CORBETT, City Clerk

FOR:

SHELIA HAWORTH, MPWA Secretary

FOR:

KATHY MCMILLAN, MEDA Secretary

These minutes passed and approved as noted this ____ day of _____, 2008.

ATTEST:

JIM CORBETT, JR., City Clerk