

## **CITY OF SANGER, TEXAS**

### **MINUTES: CITY COUNCIL WORK SESSION**

**November 19, 2018– 6:00 PM**

**502 Elm Street, Sanger, Texas**

**COUNCIL MEMBERS PRESENT:** Mayor Thomas Muir, Councilman Bill Boutwell, Councilman Lee Allison, Councilman Allen Chick Councilman David Clark; Councilman Gary Bilyeu

**COUNCIL MEMBERS ABSENT:** None.

**The Mayor and all Council Members were present constituting a quorum.**

**STAFF MEMBERS PRESENT:** Alina Ciocan, City Manager; Clayton Gray, Finance Director, Ramie Hammonds, Director of Development Services; Public Works Director Neal Welch; Cheryl Price, City Secretary.

#### **1. Call Meeting to Order**

Mayor Muir called the Work Session to order at 6:00 PM on November 19, 2018.

#### **2. Discussion on the FM 455 Widening Project in Relation to Proposed Utility Relocation.**

Public Works Director Neal Welch introduced Danny Everett, P.E. and Bart Hines, P.E. of Dannenbaum Engineering. Danny Everett, P.E. of Dannenbaum Engineering was recognized, provided his background, and advised he is the Project Manager over the roadway re-construction of FM 455 for TxDOT. They have been working on the project for quite some time. The schematic is already approved and the environmental process is completed and it is clear and they are acquiring property right now. There are approximately 30 parcels going to eminent domain. They are preparing for this and the hearings have actually started. He provided a power point presentation and noted some key dates that are really driving the utility relocation related to the roadway. They have kicked off on the construction plan set of FM 455. The thirty percent (30%) design is going to be due to TxDOT in May of 2019. They actually received notice to proceed on November 1<sup>st</sup>. The County is funding the Engineering costs on this. They have had to submit a supplemental agreement to incorporate IH-35 into the FM 455 plan. There will be approximately one mile of IH-35 over FM 455 that is going to get re-constructed along with this project. That was done in an effort to not have the expanded facility neck down at IH-35 and the City would continue to have the connectivity problems from east to west. The supplemental should pass in the first meeting in December. They are currently doing right-of-way mapping on IH-35 and they have a sixty percent (60%) design due in October of 2019. Another key date is the right-of-way clearance which is February of 2020 which is when TxDOT is saying all of the right-of-way clearance will be clear. Again, with all of these dates are incorporating IH-35 into them. The ninety-five percent (95%) design will be in March of 2020 and the final design will be in September of 2020. TxDOT's ready to let date will be October of 2021, with a let date of February of 2022. The importance of the "Ready to Let" date of October 2021 is that TxDOT will not move forward with the letting unless the right-of-way is clear of utilities; which means all of the utility relocations needs to be performed by that date. He noted the Key milestones regarding the supplemental TxDOT Roadway design and utility design and introduced Bart Hines, P.E. of Dannenbaum Engineering.

Bart Hines, P.E. of Dannenbaum Engineering provided his background. He stated that TxDOT is very particular about getting all of the utilities out of the way so that is what they are trying to do

quickly. He developed a design scope of work with the basic parameters and noted the bottom line is that they are working toward targeting awarding the bid for the design scope of work for construction in March 2020 and hopefully in two months start construction and be completed within 10 months March 2021. He noted there are a lot of utilities they have to relocate, water, wastewater, at about 12,000 feet. Some of it is under pavement and has to be relocated and some of it is for betterment of the water system they are trying to make improvements to. The benefit that would be cost effective for the City is looking at the Master Plan and meeting with staff regarding places where there may be gaps where there are no lines; that now would be a good time to put them in while they have a contractor out there. This will all be in the scope of work and in an exhibit in the contract that will be considered in the next couple of weeks. He noted some detailed plans which were not final design yet, but would be estimates of what they are looking at with a broad brush. He noted the bottom line is that the OPCC Pre Design is \$2.44 Million, which includes a 35% contingency. He noted details of some of the items they would be doing. As they submit the design the City will get an updated OPCC and the dollar amount may move and at that time the City can make decisions as to whether it wants to add more stuff. The scope of work is based on the items currently identified. If looking for budget decrease on this they can consider postponing some of the construction at that time. He noted the Design Fee is \$230,707, which includes \$56,012 for sub-consulting.

City Manager Alina Ciocan asked if they would summarize the reimbursement procedures.

Danny Everett with Dannenbaum Engineering was recognized and noted that during the design process that he would be working with Bart Hines to determine an eligible reimbursement percentage. It is a ratio that TxDOT uses. In taking everything into account that needs to be relocated they develop one percentage. What they look at, is where the water lines exist today and if they are currently in the State's right-of-way and they are coming in requiring the utilities to move - that is not eligible. If we are outside of existing right-of way and the proposed right-of-way overtakes us, then we would be eligible for reimbursement. Some of the things unique to this job are that all of the utilities along IH-35 are reimbursable at 100 percent. From IH-35 to west of the railroad at some point and time it was a county facility and if the utilities were in the corridor prior to the State taking it over, those are reimbursed at 100%. In taking all of these things into account, each line being relocated will have a percentage. He gave some examples of percentages for different lines and noted that the percentages would be averaged with a weighted average and come to fruition as the plans get finalized, they will develop the final ratio and go through the state to the final ratio approved. That ratio will go to the city and become the utility reimbursement agreement. As they move through construction there are a few ways to handle it. The City can choose to have the utilities let with the roadway contract or choose to do it themselves. There are pros and cons to each one. If the City lets the contract it gives the City more control and allows the City to be the first one in. If the City lets it with the roadway contract, then all of the relocation will be performed and the City is basically hoping that all of the other utilities are where they said they were going to be. Usually it works out but there are issues. The pro of going with the roadway contract is that the City delays the payment on the cost of the construction. Once the contract lets the State will come to the City and ask for the money required to perform the utility relocations. If the City chooses to let the contract then the City would be on for the cost on its' own. The advantage to this is the City could pay as it goes. Once the contract lets with the City and the City awards the bid to the contractor which bids at two million dollars, once the contractor starts the work, they will start submitting pay applications to Dannenbaum and the City. Dannenbaum will look at the invoices and make sure that the work was performed and take the pay application; say, as an example it is \$200,000, they will apply the reimbursement percentage; say, 50% to the pay application. The City would go ahead and issue full 100% the \$200,000 payment to the contractor and Dannenbaum would then submit it to the State to get the City reimbursed for the remaining 50 percent to get the \$100,000 reimbursement and then the

State would issue the City a check for the \$100,000. So, the City would pay as it goes and get reimbursed the percentage money back too. He did this same thing with the City of Anna and the checks were coming in from the State within 30 days. The City needs to obviously see what the end number is and determine what is best for the City.

Mayor Pro Tem Bilyeu asked who was going to manage the situation if the lines are not where they are supposed to be. Mr. Everett stated he will actually be working for the City on both sides (utility and roadway) and they are going to coordinate the project. There are going to be meetings and any utility franchise that has a stake will have to be at the meeting. He noted he does not have a schedule for the meetings at this time. When he did the 380 improvements through Razor Ranch the meetings started out every other week and as they got further along the meetings went to monthly. The important part of this is that when they get to the 60% design date that is when they will, through TxDOT release roadway plans that are adequate for utility relocation. At that point they tell all of the utilities that this is where they are and this is how you need to design. Generally, TxDOT will tell you where you need to be going and Dannenbaum will follow those guidelines. Mayor Pro Tem asked if there is an advantage for us to do it or to go with the roadway contract and Mr. Everett stated that the advantage would be for the City to be in first, to have the City let the contract and get in and be done. Then all of the other franchise utilities would be coming in after. He noted that historically, with the projects he has worked with in the past it may generally be more cost effective for the City to do it than to have TxDOT do it. There would be a lot more coordination and requirements that TxDOT is going to require on a contract to perform work then what is generally done on the municipal side so there is a percentage that the City could pay higher because it is a TxDOT job.

Councilman Allison asked questions regarding the construction contract and paying the contractor if there is a chance that a contractor would front load the contract. Mr. Everett noted that his recommendation is to go in, and get it done, so that the City is out of the way. The contractors sometimes do as much as they can and hit the high dollar items and if they give them too much time on a contract that is when the barricades sit on the roadways and everyone is asking when it will be finished and they figure they already made most of their money and will finish when they are told they have to. That happens and those are things that Dannenbaum would want to look at. This is a about 26 to 28-month contract. If the City lets it would be about 11 months and the City would be out of the way. Councilman Allison asked if TxDOT would have all of the buildings on the south side demolished and out of the way. Mr. Everett noted that by the let date of 2021 the right of way would have to be clear.

Mr. Everett noted that somewhere there is a record as to when FM 455 was brought into the system and we just need to track down minute order from the Commission or something that proves that it was the City's facility at one time so it will be 100% reimbursable.

Councilman Boutwell asked if the City lets who with the City is going to inspect the job every day to be sure everything is being done according to plans. Neal Welch noted the Public Works Inspector would be out there.

Councilman Allison noted that if someone down the line puts in utilities and goes through our line because it was not where it was supposed to be, would a third-party inspector avoid some of the liability? He noted that relocating with 60% design that there could be significant change, particularly in storm sewers. Mr. Everett noted that Mr. Allison is correct regarding the design and that is one benefit in that they performing the roadway and the utilities is that it is all right there.

There was miscellaneous discussion regarding the right-of-way and utility relocation and Mr. Everett noted that they will be attending the meetings and anyone with the City can attend.

City Manager Alina Ciocan noted as another component is that the City also has to move some electric utilities and that would be a separate contract and would be coordinated.

Mr. Everett noted one more thing he wanted to mention that he did not believe was an issue with the City, however, noted that they are working with Bolivar Water and any of the lines that are currently in an easement, the proposed right of way takes over the easement and if that line is not in conflict with the roadway, they are going to leave it there. They are not going to pay just to move. They will enter into a shared use agreement with the entity acknowledging they both have stake in the property. If that agreement is executed with the State it would be subject to any further relocation costs should arise later on, or the state would pay the city for the easement. He did not believe the City has this issue, but if it did, he would suggest the City execute a shared use agreement acknowledging the City has a stake in it and it would be eligible for reimbursement.

Mayor Muir asked about the construction engineering inspection, if the City does not do it ourselves, would it be independent. Mr. Everett noted that they do have firms that they have worked with that do the construction engineering inspection. Mr. Hines advised that the did not put construction management in the proposed contract figures that it just takes it up to the award bid. It would be hard to defend what the fee would be at this point and time. He noted there are several firms that could do the inspection. It would handicap the City to have to be there, especially if there is development construction going on where do they go first. There should be a dedicated person for the project.

Mayor Muir asked if the City did not let and went with the State that they said the State would call on the City for the full payment. Is this the full net payment or the full amount and what is the timing on that with reimburse later? Mr. Everett noted if the City went with the roadway project that the State would ask the City for the full bid amount that the contractor bids which would be based off of Dannenbaum's estimate and they will reimburse off of that. If Dannenbaum's estimate is really high and the contractor comes in really low that the City will get reimbursed off of the high estimate and when the project is reconciled the City could come out owing the State money. He noted that they try to get as close as they can when estimating the costs and want to get as close as they can. The City reimbursement percentage would be applied after that one payment. There was additional discussion regarding the timing of the construction and when it would be done, whether it would be daytime or nighttime. Mr. Everett noted that it would be a discussion. It was noted that IH-35 would probably be nighttime construction. It was noted that Dannenbaum's plans would be included in the TxDOT plans if the City goes with TxDOT. All of the engineering fees are also reimbursed with the same percentage. Sub-surface Engineering has already been done and he has added it back in. They want to find every utility that is out there and everything is covered.

Mayor Muir asked about IH-35 and FM 455 and noted that around the proximity to IH-35 it is not moving as quickly. Mr. Everett noted that some of the properties are on hold and their right-of-way mapping is due to in January and they will be going through a comment period with them. March 2020 is about when the environment clearance is taking place on IH-35. Once they get the clearance, they will be approaching the property owners regarding the right-of-way for IH-35. It was noted that most likely the contractor will be working on both, but there may be some variations depending on the contractor.

Councilman Allison asked if there was any possibility of TxDOT working with the City to improve some or a parallel side street(s) for temporary traffic access for the FM 455 traffic. Mr. Everett noted

that he has seen instances where this has been done and it would probably be a payment the City would make when it bid. He noted that they could absolutely make the request.

Mayor Muir noted the intersection of IH-35 and asked about the safety islands to keep everyone turning the right direction. With the addition of IH-35 there will be plenty of access to have a safer intersection with the full U-turns, continuous left turn lanes, and frontage road improvements, etc. The bridge improvement will open up the pavement area and will probably be one of the first things they do. TxDOT has really taken in the public involvement concerns and after the concerns that were voiced, they have determined that these improvements are necessary.

Councilman Chick asked when do we need to make the decision as to which way, we are going to go to let the contract. Mr. Everett noted that towards the end of next year they would need to have an idea of which way the City would need to go; and, should start having discussions at that point.

Mayor Muir asked the financial question of how soon the City would know an estimate on the reimbursable amount because it is a magnitude for us that is meaningful because we are considering the possibility of bonding and if we can get a million reimbursed; that would be a million we would not have to bond. Mr. Everett noted that as they move to the 60%, they should have an idea, and by 95% of the plans completion they should have most of the percentages determined. Mr. Hines noted that the City would still be responsible for the entire amount. Reimbursement would come later. There was discussion and Mr. Everett noted that by June of next year they may have an idea at within 10 percent. He noted that as we go through the process if they need to take a closer look then they would do that to help the City out with the best information they have.

City Manager Alina Ciocan noted that the City Attorney is currently reviewing the contract and it should be presented to the City Council at the next meeting on December 3<sup>rd</sup>. Mr. Everett noted that he is setting up a meeting with the Denton County Coordinator to meet with him and Neal Welch to answer some questions. The Mayor and Councilmembers thanked Mr. Everett and Mr. Hines with Dannenbaum for coming to the work session.

### **3. Overview of Items on Regular Agenda.**

No Items.

### **4. Adjourn.**

There being no further business, Mayor Muir adjourned the Work Session at 6:57 PM.