

CITY COUNCIL CONFERENCE MINUTES

June 11, 2013

The City Council of the City of Norman, Cleveland County, State of Oklahoma, met in a conference at 5:45 p.m. in the Municipal Building Conference Room on the 11th day of June, 2013, 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 48 hours prior to the beginning of the meeting.

PRESENT: Councilmembers Castleberry, Gallagher, Griffith, Jungman, Kovach, Lockett, Spaulding, Williams, and Mayor Rosenthal

ABSENT: None

Item 1, being:

CONTINUED DISCUSSION REGARDING THE FYE 2013 CITY OF NORMAN OPERATING BUDGET AND THE FYE 2014 CITY OF NORMAN OPERATING AND CAPITAL BUDGETS.

Mayor Rosenthal said Council requested Staff reduce the General Fund Balance by 2% in maintenance supplies and materials, training and travel, and consultant allocations and requested more details on monies that would be reduced from these categories.

Councilmember Castleberry said recreation supplies for the Senior Citizen Center and youth baseball would be reduced by \$800 each and asked exactly what would be cut and Mr. Jud Foster, Director of Parks and Recreation, said specific programs are not being cut, it is just a general overall dollar amount from those categories. Councilmember Castleberry asked if that was the same for all the other Parks and Recreation categories and Mr. Foster said yes.

Mayor Rosenthal asked if any of the reductions would zero out certain activities and Mr. Steve Lewis, City Manager, said the amount of money used for discretionary training would be zeroed out. Ms. Suzanne Krohmer, Budget Manager, said the majority of travel and training funds will be zero. Mr. Lewis said the Traffic Signal Timing Studies Fund would be zeroed out as well.

Councilmember Williams asked for clarification of the \$25,000 coming from the Police Department. Mr. Keith Humphrey, Police Chief, said that reduction is in the Special Investigations Division and includes several accounts and if money is needed it can be found in other accounts including seizure monies. Councilmember Gallagher asked if the reduction would affect police services and Chief Humphrey said no.

Councilmember Williams said \$50,000 is being reduced from the Outside Auto Repair Fund and asked what kinds of auto repairs are not done in-house at the Fleet Maintenance Division. Mr. Shawn O'Leary, Director of Public Works, said Fleet Maintenance does not perform auto alignments, transmission repairs, or big motor repairs for heavy equipment. He said the reduction would not zero out the account and the City is anticipating less need for these types of repairs in FYE 2014.

Councilmember Williams asked if the reduction of \$30,000 in the Traffic Control Division for electricity/street lights would affect traffic lights and if that meant the City would not have street lights on at night. Mr. Anthony Francisco, Director of Finance, said no, \$30,000 is just a portion of the \$400,000 budgeted in that account. Councilmember Williams asked if the City always over-budgets in that account and Mr. O'Leary said somewhat, but this reduction reflects the anticipated lower use of electricity due to the new light emitting diodes (LED) street lamps recently installed by Oklahoma Gas And Electric Company (OG&E). Councilmember Kovach said a few years ago when the City was trying to reduce the budget, Council discussed an odd/even schedule for lighting of street lights to conserve electricity, but that was never done; however, this discussion tonight brings to mind how much electricity street lights use. He said when a component goes out on a street light, the light will stay lit

twenty four hours a day and he believes the City can do a better job of reporting those incidents to OG&E and getting those lights turned off until they can be repaired. He suggested City employees, who are on the streets daily such as police, sanitation, code enforcement, etc., report lights they see on during daylight hours. Councilmember Gallagher said it is his understanding that it takes three to four days before OG&E or Oklahoma Electric Cooperative (OEC) even goes out on a street light repair call when reported by the City so it seems to be more of a procedural action that needs to be addressed.

Councilmember Gallagher asked if traffic signals are actually timed and Mr. O'Leary said yes, they are timed on corridors with multiple signals. He said a traffic engineering firm will be performing a retiming study along Robinson Street soon. He said the study will provide a plan of timing sequences for every signal in a three to four mile section, which will make the corridor safer and more efficient. Councilmember Gallagher said if the account is reduced, would some streets be eliminated from this type of study and Mr. O'Leary said the City usually has two studies per year, but with this reduction Staff is proposing only one study this year.

Councilmember Jungman asked about the concept of cutting the budget in these categories and Mr. Lewis said that because the budget is personnel dominated, cuts need to be made in non-personnel areas. He said cuts cannot be made in the Capital Budget so these categories are what Staff has to work with when cutting the budget. He said these categories have been gradually cut over the last two to three years and the City needs to find a larger solution to the General Fund Budget. He said the budget is getting tighter and making it harder for the City to perform day to day activities. He said a stormwater utility fee would go a long way in enhancing the General Fund Balance. Councilmember Jungman said, upon reviewing these categories, he sees less service to the public and asked if he is wrong about that. Mr. Lewis said departments will simply have to find the money in other accounts so there is some flexibility within the budget to accomplish things.

Councilmember Jungman said Sooner Theatre and Firehouse Art Center budgets are being reduced by \$1,000 and asked if that is money the City provides or services the City provides? Mr. Foster said the money is an annual subsidy to each organization they use for salaries. Councilmember Castleberry said there should not be any cuts for Sooner Theatre or Firehouse Art Center because those are separate appropriations from the budget document. Ms. Krohmer said this money is a percentage reduction in those organization's contributions. Mayor Rosenthal asked if this 2% reduction is included in the 2% coming out of the separate allocations and Ms. Krohmer said yes. Councilmember Kovach said any Councilmember making a motion to amend the budget could move to delete any line item they find to be untenable. Councilmember Castleberry said Council can also review the budget mid-year and make amendments at that time and consider putting some of the items back in the budget.

Councilmember Spaulding asked what services would be cut if the mowing/abatement allocation was reduced by \$5,340 in the Planning Department and Mr. Francisco said that amount is simply a reduction in the total account and does not reflect any particular service. He said that account pays a contractor to mow or clean-up property with health violations when the property owner will not do it themselves. Councilmember Spaulding asked if that ended up being budget neutral since property owners must pay for that abatement. Mr. Francisco said yes, but only if the property owner pays and pays within the current fiscal year. Councilmember Spaulding said those property owners who do not pay have liens filed against their property so the City gets their money and Mr. Francisco said property liens only get paid if the property changes owners.

Councilmember Spaulding asked if there are any cuts to Social and Voluntary Services and Mr. Francisco said no, there has been no reduction proposed by Council.

Councilmember Gallagher said Planning/Administration cell phone allocations are proposed to be cut by \$825 and asked why the City is providing and paying the bills for cell phones when most people have a personal cell phone. Ms. Susan Connors, Director of Planning and Community Development, said the City provides cell phones to Code Enforcement Officers and Building Inspectors that are part of the tools they need to do their job.

Councilmember Gallagher asked what auto mileage reimbursement allocations are used for in the Human Resources budget. Mr. Francisco said this account is used to reimburse the Safety Officer who uses his personal vehicle to investigate accidents involving employees.

Councilmember Gallagher asked why the City needs outside legal services when there are half a dozen City Attorneys on Staff. Mr. Jeff Bryant, City Attorney, said occasionally there may be a legal case where there is a conflict of interest with the City or would constitute a Constitutional rights violation. He said there was very little spent in FYE 2013 for outside legal services, but there are a couple of Federal Court cases coming up at the same time in FYE 2014 where outside legal services will be needed. He said the Legal Department tries to do as much work as possible in-house. Mayor Rosenthal said it is important to note that on many professional services contracts the City is not paying benefits or overtime so there is a financially efficient reason to use those types of specialized contract services. Councilmember Gallagher agreed it happens now and then, but felt if the City is really trying to save money those types of services should be kept to a minimum especially with six attorneys on Staff.

Councilmember Kovach asked if accounts could be restored to their full budget amounts in six months if Council determines the cuts are not needed and Mr. Lewis said yes, accounts could be re-evaluated, but mid-year could be too late to allow for contracting in a timely manner for certain items such as a second traffic study or contract street sweeping services. Councilmember Kovach said in September, Council will receive a rough estimate of previous year's budget balances from the Finance Department and proposed that items with timing issues be reviewed at that time and nothing be cut if balances look good at that point. Councilmember Castleberry said when Council sets a budget, they are basically saying, "this is what the City is going to spend" so if another timing study is needed, Staff could request a supplemental budget appropriation. Mayor Rosenthal said items like street sweeping, which has been something the public supports and a high priority of Council, is basically being eliminated and Mr. Lewis said only contracted street sweeping is being eliminated. He said the City will continue to sweep streets, but the number of streets will be much more limited. Mayor Rosenthal said she is not willing to support some of the line items on the list because they are items that need the full budgeted amount. She said Staff will end up requesting appropriations later so she would rather propose the accounts be reduced by \$378,000 rather than \$478,829.

Councilmember Jungman said if the budget can be reduced and the City can provide the same level of service then he will support the reductions. He suggested the Retail Marketing Coordinator position be delayed for one year. He said if saving money is paramount then it does not seem prudent to add that position at this time.

Councilmember Castleberry said there are two sides to the budget and the City cannot cut its way to prosperity. He said something must be done to increase revenue and the only thing that has been done in this budget to increase revenue is the addition of the Retail Marketing Coordinator position. Councilmember Jungman asked how that position would increase revenue and Councilmember Kovach said by recruiting retail businesses to Norman, which will increase sales tax revenues. Councilmember Jungman asked if that person would bring in more money in the first year of employment than they are paid in salary and Councilmember Castleberry said hopefully they will and Council will evaluate that progress throughout the year. He said if the person does not perform well, then they will be a short term employee.

Mayor Rosenthal felt it would be shortsighted to reduce training and travel allocations. She said conferences and seminars can be beneficial to employees and the City so she would not like those accounts to be reduced. Councilmember Kovach said he would support not reducing the accounts as well. Councilmember Castleberry said he would rather zero out the accounts and if something comes up, review that on a case-by-case basis for an appropriation.

Mayor Rosenthal said the consultant services account will also be zeroed out and with no money, the City cannot acquire the expertise needed to continue to operate efficiently. She said Council is currently reviewing a proposal to evaluate development services and whether or not that would be done in-house or by an outside firm. She would not be in favor of reducing the account.

Councilmember Castleberry asked Mr. Francisco if Council cut individual budget line items in FYE 2013 and Mr. Francisco said no. Councilmember Castleberry said if the budget is not reduced now, it is not going to be reduced later. He said Council makes appropriations all the time, but never cuts budget items. Mayor Rosenthal said the City Manager has always reviewed the budget and will not approve certain purchases being made so that is the same thing as cutting the budget. Councilmember Castleberry said the City has been fine the last few years because it is borrowing from its savings to meet obligations since expenditures exceed revenues. He said all Council is doing tonight is asking Staff to find 2% out of their budget to cut and if that money is really needed, Staff can come back to Council and say they really need it. He said the Finance Director is constantly telling Council the City “conservatively budgets” so if that is true then Staff should be able to find the money. He said Council’s approach should be “*if you can find the money you can have the money.*” He said Council needs to make departments live within their means instead of spending money before they even know if they have the money to spend. Councilmember Jungman said that is the best reason to delay the Retail Marketing Coordinator position for one year.

Ms. Joy Hampton, The Norman Transcript, said essential City services and quality of life attracts businesses and retail. She asked if the City has data that supports hiring a Retail Marketing Coordinator being a more efficient means of promoting retail rather than cutting essential services or quality of life. Mr. Lewis said every business wants a good quality of life that includes good basic city services. He said Norman has that, but does not have the ability to recruit additional retail into the community. He said other communities feel they have been successful in attracting new retail to their communities through having someone on Staff that is there day in and day out working solely on recruitment of retail. He said future predictions are retail is really going to expand, maybe even double, in the next year or two and Norman wants to be a part of that expansion.

Items submitted for the record

1. Memorandum dated June 6, 2013, from Anthony Francisco, Finance Director, to Honorable Mayor and City Councilmembers, with FYE 2014 Proposed Budget Additional Two Percent Budget Cut Proposals

The meeting adjourned at 6:25 p.m.

ATTEST:

City Clerk

Mayor