

FINANCE COMMITTEE MINUTES  
January 16, 2013

The City Council Finance Committee of the City of Norman, Cleveland County, State of Oklahoma, met at 5:30 p.m. in the Municipal Building Study Session Room on the 16th day of January, 2013, and notice and agenda of the meeting were posted in 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:                   Members Castleberry, Gallagher, Griffith, Kovach, and Chair Rosenthal

ABSENT:                   None

OTHERS PRESENT:       Linda Lockett, Council Member  
Greg Jungman, Council Member  
Steve Lewis, City Manager  
Anthony Francisco, Finance Director  
Suzanne Krohmer, Budget Manager  
Ken Komiske, Utilities Director  
Mark Daniels, Utilities Engineer  
Scottie Williams, Utilities Superintendent  
Gala Hicks, Human Resources Director  
Jeff Bryant, City Attorney

DISCUSSION REGARDING THE FYE 2013 MID-YEAR BUDGET REVIEW

Anthony Francisco, Finance Director, reviewed handout.

Mid-Year Budget Review

- General Fund Sales Tax collections below projections, UNP TIF sales tax above projections.
- Use Tax on target, Franchise fee revenue on target, fines/forfeitures on budget, and investments below target. Other revenues on budget, but down from last year (FEMA reimbursements shown in this category last year). Cost Allocations and Internal Charges have no effect on bottom line and Interfund Transfers are money-in, money-out.
- Water revenues have increased so payment to General Fund will be up.
- CNG sales revenues higher than projections (in service charges/fee category).

Expenditures

- Salary increase, not budgeted, we should be able to absorb this with vacancies/frozen positions.
- Also departments have been required to reduce 3% of service/supplies expenditure budget.
- 2% of City Manager's reserve budgeted to be spent.
- FYE 13 Ending Fund Balance projected to be \$2,037,260.
- Capital Outlay expenditures projected to increase based on carry-over encumbrances that will be offset by transfer revenues from the Capital Fund...
- Kovach – Beginning Fund Balance increased \$3.6 million to \$6.3 million projected.

- Castleberry – Budget figures to actual expenditures comparison – wants to work on report more understandable to Council.
- Kovach – Wants to know actual personnel turnover savings in FYE 12.
- FYE 12 Budget plus salary/benefits was \$49,389,975; FYE 12 actual expenditures were \$48,102,461 for a savings of \$1,287,514.
- Rainy Day Fund by end of next fiscal year
- Options for FYE 13: 1) do nothing; 2) move minimum amount of \$635,000 to Rainy Day Fund; 3) move Maximum amount of \$1.7 million to Rainy Day Fund.
- FYE 12 transferred \$1.5 million to Rainy Day Fund; need \$2.1 million in fund; \$1.7 million is targeted amount to put in Rainy Day Fund.
- Kovach – Wait until May to move minimum amount unless we “park” \$635,000 somewhere in General Fund and then transfer to Rainy Day Fund in May. If Rainy Day Fund dollars not met by end of FYE 14, then Council has violated our own ordinance.
- 8% reserve total
- Kovach – Wants \$635,000 to be Council authorized only.
- Griffith – Look in May to meet Rainy Day Fund balance.
- Gallagher – Agrees with partial set aside that Robert discussed.
- Direction – Put \$635,000 in a specific line item in General Fund and revisit in April to see if we are ready to transfer to Rainy Day Fund.
- Goal – Wants to put \$635,000 in Rainy Day Fund this fiscal year.
- Capital Fund – Moving projects up due to GO Bond funding.
- Kovach – Wants CIP projects update at next meeting in February.
- Water Fund – Bond proceeds need to be spent on projects.
- Can use funds to pay on debt and reissue debt at lower rate.
- Mayor – Look at alternative projects that would meet Strategic Water Supply Plan and would qualify for use.
- Sewer Projects – revenues building up in anticipation of budgeted expenditures for Southside Treatment Plant expansion in FYE 13 that are not being made.

Item(s) submitted for the record:

1. Memo to Mayor and Council from Anthony Francisco entitled Mid-Year Budget Review, FYE 2013 dated January 10, 2013.

#### SUBMISSION OF THE REVENUE/EXPENDITURE REPORT AS OF NOVEMBER 31, 2012

Sales tax report was discussed...

Items submitted for the record:

1. Summary of Major Funds-General; Capital; Westwood; Water; Water Reclamation; Sewer Maintenance; New Development Excise; Sewer Sales Tax; and Sanitation Fund Revenue Sources vs. Budget, Financial Report as of December 31, 2012.

#### SUBMISSION OF THE REPORT ON OPEN POSITIONS

- Kovach – Frozen positions – would like to see the FYE 14 Budget figured without these position numbers in it.

Items submitted for the record:

1. City of Norman/Human Resources Department Recruitment and Selection Report dated January 10, 2013.

#### MISCELLANEOUS DISCUSSION

Handout of draft copy of Curbside Weekly and Bi-weekly Collection bids received. This will be discussed next Tuesday.

At the February Finance Committee meeting, we will meet with outside agencies and discuss their funding requests.

The meeting was adjourned at 6:53 pm.

ATTEST:

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City Clerk

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Mayor