

FINANCE COMMITTEE MINUTES
June 19, 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 19th day of June, 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 24 hours prior to the beginning of the meeting.

PRESENT: Members Castleberry, Gallagher, Griffith, and Kovach, and Chair Rosenthal

ABSENT: None

OTHERS PRESENT: Linda Lockett, Councilmember
Lynne Miller, Councilmember-elect
Steve Lewis, City Manager
Anthony Francisco, Finance Director
Suzanne Krohmer, Budget Manager
Ken Komiske, Utilities Director
Mark Daniels, Utilities Engineer
Michael Graves, Garver Engineering
Jeff Bryant, City Attorney
Kathryn Walker, Assistant City Attorney II
Joy Hampton, Transcript Reporter

DISCUSSION REGARDING THE “RAINY DAY FUND” ALLOCATION FOR THE FYE 13 BUDGET.

During the FYE 14 Budget process, amount is appropriated to bring fund to the minimum required amount.

DISCUSSION REGARDING A WASTEWATER RATE INCREASE TO BE SUBMITTED TO THE VOTER FOR APPROVAL.

Ken Komiske made presentation about need for wastewater rate increase. He reviewed in detail the PowerPoint report.

- Funding Sources for the fund are:
- Sewer Sales Tax Fund
- Sewer Maintenance Fee Fund
- New Development Sewer Excise Tax Fund
- User fees – rate has not been increased since 1996 which includes \$3.90 base plus \$1.60 per 1,000 gallons water used.
- Waste Water Master Plan Implementation – May 2012 had rough estimate of \$52,400,000 for South Plant.
- New estimate is \$63 million in 2015 cost. – 3% inflation per year.

- Odor control increased by \$1 million from \$3.7 million – did not include solids process
- Phase 2A – regulatory driven pieces of project
- Phase 2B – capacity and replacement pieces of project
- Marketable effluent – use at Astellas, Hitachi, etc.
- Largest water reclamation project dollar wise in entire state
- SRC loans to help fund project – interest rates reduced by 40% plus .5% administrative fee.
- Currently on list of potential projects for approved by OWRB’s SRF program for \$53 million.
- Timeline – assuming approval of rate increase, begin construction in July 2014 with completion date of January 2017 (30 month project). OPDEQ compliance mandate is July 2017.
- City should shoot for November 12th election date.
- User Fees
 - Increase to approximately \$30/month total from \$22/month
 - Look at base rate –
 - 3 different levels
 - Increase commodity rate
 - Come back with scenarios for typical user
 - Scenario – increase 80% of water usage to 90%
 - Scenario – with remaining sewer sales tax in and without
 - Kovach – modular approach
 - We could defer some borrowing.
 - Bring back scenario with all Council members at pre-conference.

Items submitted for the record:

1. PowerPoint presentation dated June 2013 prepared by the Utilities Department, Water Reclamation Fund

SUBMISSION OF THE REVENUE/EXPENDITURE REPORT AS OF MAY 31, 2013

- Revenue down 3.9% in General Fund Revenue from Budget.
- General Fund – Check Accounting’s figure of \$60,439,771 in Actual.
- Castleberry – look at Best Buy and West-side Wal-Mart in analysis of impact of highway construction on area businesses.

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 May 31, 2013.

SUBMISSION OF THE REPORT ON OPEN POSITIONS

PSST police academy and hiring discussed in last PSST meeting.

Items submitted for the record:

1. City of Norman/Human Resources Department Recruitment and Selection Report dated June 12, 2013.

MISCELLANEOUS DISCUSSION

Kovach asked about transfer adjustment policy.

Mayor wants committee to review personnel benefits and look at cost savings for a future meeting.

The meeting adjourned at 6:33 pm.

ATTEST:

City Clerk

Mayor