

FINANCE COMMITTEE MINUTES

October 21, 2009

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 21st day of October, 2009, 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 Dillingham, Ezzell, Quinn, and Chair Cubberley

ABSENT: None

OTHERS PRESENT: Al Atkins, Council Member
Anthony Francisco, Finance Director
Suzanne Krohmer, Budget manager
Ken Komiske, Utilities Director
Mark Daniels, Utilities Engineer
Scottie Williams, Utilities Superintendent

DISCUSSION REGARDING REVIEW OF 'PAY-AS-YOU-THROW' SOLID WASTE COLLECTION SYSTEM

Ken Komiske made presentation on "Pay-As-You-Throw" (PAYT) Solid Waste Collection System.

- Discussed residential waste collection system we currently have in City of Norman and differences in PAYT program
- Citizens of Norman voted against a PAYT program in 1999
- Customers pay more if they throw away more
- Alternatives: Volume vs. Weight
 - Weight requires computer in each vehicle and weight indicators on lifts
 - Volume requires tags, bags, and receptacles
- City currently has 3 sizes of polycarts that we could use charging by volume
- Education of public plus enforcement of plan would be required to achieve compliance.
- 45% of sanitation revenue is from residential customers
- City of Edmond has hybrid system – 2 sizes of polycarts and \$1 difference – have computers in each truck
- Edmond has garbage bags for \$1.50 each in addition to the polycarts
- Cubberley – have recycle bins at apartment complexes – future opportunity
- Look at City Charter change before increasing rate structure
- Look at automating compost pickup
- Hold election next fall, if Charter change does not occur

Items submitted for the record

1. Memo to Steve Lewis, City Manager, from Ken Komiske, Utilities Director, dated October 14, 2009, Pay As You Throw (PAYT) programs.
2. Power Point presentation "Pay As You Throw (PAYT), Norman Municipal Authority, October 2009, prepared by Utilities Department

DISCUSSION REGARDING THE FYE 2010 REVENUE AND EXPENDITURE PROJECTIONS INCLUDING THE MONTHLY REVENUE AND EXPENDITURE REPORT

Handout of sales tax data

- Less dependent on sales tax compared to past years
- Another year to year and a half of lower growth rate in sales tax
- Discussion on cyclical, historical recessions
- If we continue on the same trend for the rest of the fiscal year = \$2.2 million budget shortfall in sales tax.
- We have money in fund balance, emergency reserve (\$1.4 million), usually under-spend salary and benefits, savings from other expenditures.
- “Worst case” scenario – if sales tax collections worsen from 6% to 10% from budget projection, then \$3.7 million sales tax budget shortfall.
- Positive trends in franchise fees (due to hot summer).
- Fines collection – 14 to 20% decline.
- Total = \$5 million shortfall

Cutback management handout by Steve Lewis, City Manager. Council needs to give staff ideas of cutbacks and service level cuts.

- Dillingham – look at consolidating services or duplicate services. Look at “What’s important to our citizens”.
- Ezzell – If we cut by 8%, where would we cut?
- Quinn – Wants to see management team’s plan of cuts.
- Cubberley – Other ways of doing business? What should we be doing and not doing, for example, charging for GIS services.
- Ezzell – Paying by automatic bank withdrawal instead of just credit cards online.
- Dillingham – Use technology for services.
- Cubberley – We have 8% reserves, would like to maintain. Labor negotiations in spring – reserves can be used for salaries.

This item is to be placed on the November Finance Committee agenda for continued discussion. Also, on the Council Retreat agenda for further Council input. No discussion on the regular monthly revenue reports.

Items submitted for the record

1. Summary of Major Funds-General; Capital; Westwood; Water; Wastewater; Sewer Maintenance; New Development Excise; Sewer Sales Tax; and Sanitation Fund Revenue Sources vs. Budget, Financial Report as of September 30, 2009

DISCUSSION REGARDING REPORT ON OPEN POSITIONS

No discussion on Open Positions report

Items submitted for the record

1. City of Norman/Human Resources Department Recruitment and Selection Report dated October 12, 2009

The meeting adjourned at 6:45 pm.