

FINANCE COMMITTEE MINUTES  
December 11, 2014

The City Council Finance Committee of the City of Norman, Cleveland County, State of Oklahoma, met at 5:00 p.m. in the Municipal Building Study Session Room on the 11th day of December, 2014, 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 Heiple, Lang, and Chair Rosenthal

ABSENT:                   Member Castleberry

OTHERS PRESENT:       Dan Quinn, Council member  
Steve Lewis, City Manager  
Anthony Francisco, Finance Director  
Suzanne Krohmer, Budget Manager

Item 1, being

UPDATE ON GENERAL FUND FEES AND CHARGES TO BE REVIEWED FOR FYE 2016

Francisco - At the October Finance Committee meeting, it was discussed to review one-third per year of the current fees and charges structure in the General Fund to update the Revenue Manual. A listing was presented showing those to be studied as we prepare the FYE 16 Budget. Some fees are not at the State Statute limit so we can raise them. He told them he now knows that a transient entertainment is when you go to the grocery store and the rides for little children are part of that category, because they can be moved. There's not a lot of money involved but they just need to be reviewed from time to time.

Lang – Asked if the fees were close to the State Statute or way below limit?

Krohmer – Said, for instance, The State Statute shows license for a Distiller is \$3,125. She has checked the Ordinances in 1974 and didn't know why the City was only charging \$35. She said the State limit on a Brewer is \$1,250 and we charge \$1,000, and the limit is \$625 for a Winemaker and we charge \$500. She explained that a Rectifier is someone who changes the composition of alcohol.

Mayor – It's interesting that so many of these were done at the same time. She mentioned that the taxi cab companies are unhappy with the start of Uber and Lift.

Lang - Asked if we had Uber in Norman.

Heiple – Said yes. He had accidentally hit the app button on his phone and the young man was waiting for him when he came out. He told him he was sorry, he didn't mean to call.

Mayor – So this is a list that we will be considering as we prepare the budget. Will there be ordinances for the changes?

Francisco – Yes, we will give ordinances during the budget process.

Mayor - Do you want additional guidance from us?

Francisco – We would ask for you to approve the list as the ones to be studied and we'll go forward with the list.

Lewis – The reality is we do not want to spend an inordinate amount of time on these.

Lang – Just update us and we'll say if we have problems or questions.

Mayor – Come back with list showing State limits and suggested fees and we will look at them. Include other code related such as securing premises and weed abatement.

Lang – Asked about the taxi license and what form is it?

Francisco - Said it was a license and he wasn't sure if there's a medallion involved.

Lang – Asked about impoundment fee and referenced to a letter regarding a car that parked on the train right-of-way and it cost them \$300.

Items submitted for the record:

1. General Fund Fees and Charges to be Reviewed for FYE16 prepared by Finance Department

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Item 2, being

SUBMISSION OF THE REVENUE/EXPENDITURE REPORTS FOR NOVEMBER 2014

Heiple – Would like for reports to focus more on long-term strategy instead of the monthly short-term.

Lewis – The economic outlook with lower gas prices is not good.

Francisco – I attended the Economic Outlook Conference recently and there was a lot of discussion on the lower gas prices. The lower gas prices will affect Oklahoma badly with reduction in employment levels, lower sales, sales taxes, etc. Prediction is oil prices should go back up in approximately 6 months. Forecast for the next two years is a spike in prices. City pays spot prices for fleet fuel so this is beneficial for our budget.

Lang – Would it be beneficial for the City to buy on a long-term contract?

Francisco - We don't have the storage capacity. We buy spot or a certain percentage above or below an index price.

Lewis – We can look at it.

Mayor – Without the water rate increase and the operational expenditures, if we back out of projects, would we be ok?

Francisco – Yes, each of the Enterprise Funds are driven by capital projects. For example, this year we budgeted a positive \$16.8 million dollars in the operating budget but when you get down to capital projects that's where the real expenditures are. The net operating revenue budgeted is \$6.3 million which includes salaries and benefits, supplies and materials, services and maintenance, and cost allocations.

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 October 31, 2014.

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Item 3, being:

SUBMISSION OF THE REPORT ON OPEN POSITIONS

Lewis – In the PSST meeting, did the discussion come up about the school resource officers?

Francisco – Yes, it did. About how the officers will be trained, status of Memorandum of Understanding between City of Norman and Norman Public School District, timing of hiring, etc. Police Department needs them on board in 2015; one year before our PSST II projections goes into effect.

Mayor – We need to brief entire Council on moving up SROs because that's a big financial impact on the budget. We would like alternatives to moving the costs up. Update Council on MOU, too.

Items submitted for the record:

1. Position Vacancy Report, dated November 3, 2014

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Item 4, being:

MISCELLANEOUS COMMENTS

Heiple – Are we going to have time to discuss water rate increase brochure before it goes out to public?

Lewis – I sent out revisions today.

Mayor - Next meeting on January 15 is when we discuss mid-year budget adjustments and Rainy Day Fund recommendations.

Lewis - Clerk and I discussed moving all Thursday sub-committee meetings down a week because the first Thursday in January is the first day of the month. Finance Committee will meet on January 15, 2015.

Mayor – The Council will hold public forums, ward and/or public meetings on the water rate increase election during the first full week in January: January 6<sup>th</sup> will be at City Hall; January 7<sup>th</sup> will be at Truman Elementary; and January 8<sup>th</sup> will be at Fire Station #9.

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The meeting adjourned at 5:40 p.m.