

## FINANCE COMMITTEE MINUTES

April 20, 2011

The City Council Finance Committee of the City of Norman, Cleveland County, State of Oklahoma, met immediately after the Council Study Session scheduled at 5:30 p.m. in the Municipal Building Study Session Room on the 20th day of April, 2011, 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, Quinn, and Chair Cubberley

ABSENT: Member Ezzell

OTHERS PRESENT: Cindy Rosenthal, Mayor  
Jim Griffith, Council Member  
Tom Kovach, Council Member  
Steve Lewis, City Manager  
Anthony Francisco, Finance Director  
Suzanne Krohmer, Budget Manager  
Roger Gallagher, Council Member-elect  
Jeff Bryant, City Attorney  
Jud Foster, Parks and Recreation Director  
Don Wood, NEDC Executive Director  
Stephen Koranda, NCVB Executive Director  
Joe Sparks, NCVB Board  
Yves Badaroux, Marriott/US Postal Training Center  
Erinn Gavaghan, NAC Executive Director  
William Murray, Montford Inn  
Joan Goth, Parks Board  
Diane Moershel, Pisces Project  
Nancy Yoch, Pisces Project

### DISCUSSION REGARDING TRANSIENT GUEST ROOM TAX

Committee discussed proposal to increase room tax rate.

Kovach – due to budget issues, explore a level of increase for room tax to help underfunded City departments. Any change in the room tax rate would have to go to a vote of the people.

Nancy Yoch and Diane Moershel made presentation of Pisces Project.

Stephen Koranda – NCVB is underfunded but does not want to increase room tax rate. Low tax rate is a selling point for organizations and groups to come to Norman.

The Committee felt that the Pisces Project cannot be funded through room tax rate.

Erinn Gavaghan – any increase in funds would help increase organization funding and more unique events.

William Murray – more money would help NCVB.

Koranda – we are competing with other states, and Oklahoma City and Tulsa daily for groups.

Mayor – Rental car tax – would need voter approval. Restaurant tax possible.

Cubberley – There are 4 – 5 initiatives to go to voters, go to Council Retreat. Other voter initiatives looming are water, library, storm water, recycling, PSST, etc.

Kovach – grass roots efforts needed to help proceed with room tax increase.

Dillingham – Not the time for efforts like this – time better spent.

Cubberley – Pisces Project will have to be funded through Quality of Life Sales Tax or Bond Initiative Project.

Items submitted for the record

1. Memo from Stephen Koranda to Brenda Hall dated February 19, 2011, Destination Marketing Organizations Budget Comparisons
2. Memo from Anthony Francisco to Councilmember Kovach dated April 4, 2011, Questions Raised Regarding Finance Committee Meeting
3. Cities' Room Tax Comparison & Use list prepared by Finance Department dated April 4, 2011
4. Memo from Kathryn Walker to Steve Lewis dated April 11, 2011, Transient Guest Room Tax
5. Architectural rendering of the Norman Swim Center and Waterpark, a swim complex for Norman, pisces project

DISCUSSION REGARDING ORDINANCES ESTABLISHING OPERATING, CAPITAL, AND A DEBT RESERVES

Codify policies on reserves. Draft and ordinance proposals.

Francisco – Does not meet requirements of GASB 54 – different portions/levels of fund balance that the City can't codify.

Current draft – no penalty if you don't meet ordinance.

Cubberley – Historically, it has been difficult to maintain reserve levels in policy. Downside – meaning requirements would delay payments of policy/codification.

Dillingham – exception for FEMA reimbursement, public emergency situations

Mayor – doesn't want to codify current policy as is - like Tulsa excess revenue appropriate to reserve. Like Oklahoma City – shouldn't be greater than a certain amount. Max out at 10% and Council should be able to appropriate in emergency situations.

Cubberley – address year in, year out situation. We are allowing reserves to go down and stay down. When revenues are greater than 4%, 5% or 6%, above budgeted projections, then those revenues would go into reserves, parts to Capital, too. "Excess revenues"

Francisco – we would more realistically budget things like outside legal, workers' comp, etc. if it becomes harder to appropriate, increasing budgeted expenses.

Cubberley – Raise workers' comp premiums would help with safety issues. Overtime – make premiums real

Dillingham – how long will it take us to increase annual increments and get to reserve levels? How important is this for arbitrator rulings?

Kovach – wants language to reflect need for super majority to use fund balance reserves.

Griffith – Cap on non-emergency allocations, wants it off limits for arbitrators.

Mayor – "Rainy Day" fund, voters pass it – can tap funds in financial emergency.

Lewis – "Pay it back" feature, for 2 years?

Items submitted for the record

1. Memo to Finance Committee Council Members from Anthony Francisco and Suzanne Krohmer dated April 14, 2011, Proposed Ordinance Setting Budget Reserve
2. Proposed Ordinance Setting Budget Reserve
3. Copy of Ordinances from City of Lawton
4. Copy of City of Tulsa Charter and Policy
5. Copy of City of Oklahoma City Regulation

DISCUSSION REGARDING REVENUE/EXPENDITURE REPORT

FYE 11 expenditures decreased and revenue slightly increased.

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 dated March 31, 2011

DISCUSSION REGARDING REPORT ON OPEN POSITIONS

No discussion on report.

Items submitted for the record

1. City of Norman/Human Resources Department Recruitment and Selection Report dated March 14, 2011

The meeting adjourned at 7:03 p.m.

Bring back Fund Balance in May meeting.

ATTEST:

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City Clerk

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Mayor