

FINANCE COMMITTEE MINUTES  
May 21, 2014

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 May, 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 Castleberry, Griffith and Heiple

ABSENT: Chair Kovach

OTHERS PRESENT: Steve Lewis, City Manager  
Suzanne Krohmer, Budget Manager  
Gala Hicks, Human Resources Director  
Ken Komiske, Utilities Director  
Jud Foster, Parks and Recreation Director  
Rick Parish, Head Golf Pro  
Ralph Cagigal, Westwood Superintendent

Item 1, being:

DISCUSSION REGARDING TRACKING OF EXPENDITURES IN THE WATER RECLAMATION FUND AND THE SEWER MAINTENANCE FUND

Presentation by Ken Komiske, Utilities Director

- Council established a Sewer Line Maintenance Fund
- Purpose of the \$5 per month sewer maintenance rate was to replace sewer lines older than fifty years first – “worst things first” replacement
- We propose to move the Sewer Line Maintenance operations from the Sewer Line Maintenance Fund to the Water Reclamation Fund
- This would eliminate the need to transfer from the Water Reclamation Fund to the Sewer Line Maintenance Fund to fund the operations section of sewer line maintenance
- The transfer of the sewer line maintenance operations to the Water Reclamation Fund matches how we organize and fund the water line maintenance operations from the Water Fund
- The transfer will show how the \$5 fixed sewer maintenance fee is strictly for funding capital project improvements and a sewer inspector
- Making this transfer would require a budget amendment to the FYE 15 budget by Council
- All agreed for adding the transfer to the FYE 15 Budget amendment list and state that the “Finance Committee reviewed and approved this”.

Items submitted for the record:

1. Memo from Ken Komiske, Utilities Director, dated April 10, 2014 to the City Manager, Sewer Maintenance Fund Accounts
2. Existing Flow of Funds and Proposed Flow of Funds charts
3. Existing Accounts and Proposed Accounts spreadsheet

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Item 2, being:

DISCUSSION AND REVIEW OF WESTWOOD GOLF COURSE BUSINESS PLAN

Presentation by Jud Foster

Introduced new Head Golf Pro, Rick Parish and Ralph Cagigal, Westwood Superintendent.

- Background of Westwood Golf Course – built in 1967
- \$2.3 million renovation in 2002 – new greens, tees, irrigation and safety
- Funded by 20-year revenue bond – scheduled to retire in 2022
- Golf industry continues to decline nationwide
- FYE 13 expenditures = \$1,016,659, revenues = \$973,192
- Debt Service = \$205,459, capital equipment = \$44,421 and \$49,756 operating subsidy from the General Fund
- Primary competition – OU, Purcell and the four City of Oklahoma City courses
- We try to stay under or at OKC's fee structure, golfers are very price sensitive
- Rounds in the middle (between 21,904 OU rounds and 42,015 rounds at Hefner) of the metro courses with 34,069 rounds in 2013
- Business Assessment:
  - Total rounds exceed other Norman courses, consistent with national average rounds of municipal courses similar to our size
  - Revenue trending up with two exceptions that were weather related
  - Focus is to increase number of rounds and keep the average cost per round down
  - Looking at eliminating some fees, and raising some fees to get average round costs in a competitive range and to increase revenue
  - We do surveys to get customer opinions

Griffith – Are our discounted rounds in line with OKC?

Foster – Yes, \$0.50 under OKC right now

- Fund Summary (pg. 14 in the Westwood business plan) has just the Golf operation, the pool is pulled out of the figures
- Entire fund in FYE 15 is projecting a zero subsidy
- These numbers are conservative and historically less subsidy is needed than projected

- Strengths:
  - Westwood is a good and challenging course
  - We will look into annual membership package that includes tennis, pool and golf
  - Experienced and dedicated staff
  - High customer service standard
  - Clinics
  - Pro Shop
  - Good Golf Cart Fleet – we replace one-third of the fleet each year
  - Old Carts are traded in
  - Men's Association is large and active
  - 4<sup>th</sup> of July tournament
  - Good location
  - Healthy local economy – more discretionary, spending when economy is good
  - Competitive fee structure
- Threats:
  - Weather
  - Loss of tournaments due to lack of facilities – we will address this and improve
  - New competitors – casino
  - Staffing change – vacant Assistant Pro position, will now be a part-time position and will save around \$20,000 per year, not a PGA Pro, but currently we have two PGA Pro teachers.
- We have a volunteer PGA teacher/instructor who is not a City employee

Miller – We need to attract more women players

Griffith – Any thought on filling the part-time positions with a woman?

Foster – Yes, if they have PGA training

- Aging equipment – need to stay on top of, our mechanic is very good at saving equipment
- Major capital needs:
  - Tournament pavilion
  - Water storage expansion in pond for irrigation – this would raise the elevation by two feet to hold more water.
  - Renovate men's and women's restrooms and men's locker room with a cost of around \$50,000
  - These projects are in our strategic action plan – there is a list of 25 items. We are trying to get all of these implemented to improve revenues

Miller – Is the Westwood webpage linked to the NCVB webpage?

Foster – I think so. We try to work with NCVB more thru hotels - by advertising and promoting at hotels.

Heiple – Believes NCVB can help close gap and be successful

Foster – List of 25 action plan items:

- Update web page
- Focus on family friendliness

- Make customer service top priority
- Continue to update and implement marketing plan
- Court attendant tracking
- Performance measures in plan
- Continue equipment replacement program
- Improve driving range image
- Re-word signage
- Maintenance standards established
- Driving Range league
- Reworking discount fee structure
- Looking into getting a card reader for customer information, tie with a loyalty program to reward frequent customers
- Share profit/loss information with staff and volunteers
- Expand food staff coordination

Castleberry – OU has “burgers and bags” for lunch

Foster – We have done that too

- Performance Measures in the work plan:
  - Pro Shop, food service, marketing program, grounds maintenance
  - Dedicated to implementing work/business plan

Miller – Pavilion will be in the 2014-2015 Budget and try for restrooms and water storage expansion

Castleberry – Have we thought about fountains for irrigation pond?

Foster – Yes, but they are a lower priority.

Griffith – How long will it take for capital improvements to help get more tournaments.

Foster – Maybe 4-5 years

Miller – Growing demographic for retired/older citizens - are we providing any promotions to them?

Foster – Yes, we have reduced fees for older citizens. The age group we are working on is the 20-30 year old group. This group can't afford to pay, so we will get this group a break to see if that increases business/rounds.

- Promotions:
  - We currently have 10 rounds for the price of 8
  - We have added OU students to the frequent player card
  - We have a lot of youth programs, school rates and fees for high school teams

Items submitted for the record:

1. Westwood Park Golf Course Business Plan 2014
2. Westwood Park Golf Course Business Plan – Power Point Handout

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Item 3, being:

SUBMISSION OF THE REVENUE/EXPENDITURE REPORTS FOR APRIL 2014

Castleberry – General Fund, reconcile adjusted annual ending fund balance and estimated fund balance.

Upcoming budget meetings:

- Public Hearing is May 27<sup>th</sup>
- Budget Amendment meeting is June 3<sup>rd</sup>
- Budget adoption is June 10<sup>th</sup>

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 April 30, 2014.

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Item 4, being:

SUBMISSION OF THE REPORT ON OPEN POSITIONS

Hicks – No major changes. Police Department recruitments – we have 25 applicants going thru background checks. We are hiring 16 with 5 for alternates.

We are allowing OU recruits to come here and join City of Norman's recruit class instead of them going to Ada. They will be paying for all of the consumables (ammo, etc.), we are still working on this. OU is talking about 2 recruits joining ours.

The normal average number of academy participants is 10. We require higher college credits. Oklahoma City pulls a lot of our recruits.

Lewis – In response to question about Retail Recruiter position status - No. We just have not found the right fit.

Items submitted for the record:

1. Position Vacancy Report, dated June 2, 2014


The meeting adjourned at 6:43 p.m.

ATTEST:

  
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City Clerk



The seal is circular with a rope-like border. Inside the border, the text "CITY OF NORMAN" is at the top, "OKLAHOMA" is at the bottom, and "CORPORATE SEAL" is in the center.

  
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Mayor