

FINANCE COMMITTEE MINUTES
October 18, 2018

The City Council Finance Committee of the City of Norman, Cleveland County, State of Oklahoma, met at 4:00 pm in the Municipal Building Executive Conference Room on the 18th day of October, 2018, 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: Chair Castleberry, Members Bierman, and Wilson

ABSENT: Member Carter

OTHERS PRESENT: Mayor Lynne Miller
Anthony Francisco, Director of Finance
Mary Rupp, Interim City Manager
Jeff Bryant, City Attorney
Gala Hicks, Director of Human Resources
Roger Gallagher, Citizen

Item 1, being:

SUBMISSION OF THE REVENUE/EXPENDITURE REPORTS.

Anthony Francisco gave the update. He stated that the General Fund is about 5% above sales tax predictions. This is due to the sales/use tax being up, but also due to the average annualized growth rate adjustment. We are more than a year into the “Amazon effect” now.

Member Wilson asked if alcohol tax at a restaurant is supposed to be 13.5% or 13.5% plus the 8.75% for sales tax. Francisco stated that the 13.5% includes the sales tax. Member Wilson stated that some of the local restaurants are charging 22.25%.

Francisco stated that the change to the reserve policy that was approved does not mean that the money was taken out of the Fund, just that the Council can use the money for other purposes.

Castleberry asked if the Committee would like to task the Interim City Manager with investigating ways to use the freed up money. All of the members agreed that they would like to

wait until the new City Manager was hired, but that we could start brainstorming ideas in the meantime.

Francisco stated that we are projected to hit our target in the Rainy Day Fund. This reflects the 4.5%, so the Committee might want to consider making a deposit to the Rainy Day Fund of about \$130,000 to hit the 5% target.

Francisco stated that the Public Safety Sales Tax Fund is losing money and that loss will accelerate. The General Fund will have to make up the loss.

Francisco stated that when compared to similar cities, the connection fees and impact fees for the City of Norman are generally higher and the utility rates are generally lower.

Francisco stated that our health insurance costs have gotten out of control and this is a problem. This can only be solved by increasing premiums or by reducing the cost of the benefits by negotiating with the Unions. The consultant has come up with some ways to change the formulary for our health care plans. If we can't change the plans, then we will have to increase the costs by a large percent. Jeff Bryant stated that we do have some strategies we are working on to present to the Unions.

Items submitted for the record:

1. Summary of Major Fund Revenue Sources vs. Budget FYE 2019 as of September 30, 2018
2. Summary of Major Fund Expenditures vs. Budget FYE 2019 as of September 30, 2018
3. Appropriations from Fund Balance FY19
4. General Fund Transfers over \$50,000 between Expenditure Categories FYE 19 September 2018
5. Norman Forward Sales Tax Financial Reports

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Item 2, being:

SUBMISSION OF THE REPORT ON OPEN POSITIONS

Gala Hicks stated that we have offered the Veterinary position to someone, and she takes her physical next week. The open Animal Welfare position is due to someone leaving due to injury and not being able to work any longer.

Items submitted for the record:

1. City of Norman Position Vacancy Report dated 10/10/18

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Item 3, being:

MISCELLANEOUS COMMENTS

Chair Castleberry asked why Oklahoma City has such a robust growing sales tax at 5% growth. Francisco stated that the way other cities record sales tax differs from us in areas. It is possible that some cities are bundling their sales and use tax records.

The meeting adjourned at 4:47 pm.

ATTEST:

City Clerk

Mayor