CITY OF NORMAN, OKLAHOMA
FINANCE COMMITTEE AGENDA
Study Session Room
201 West Gray
Thursday, September 10, 2015

5:00 P.M.

1. **DISCUSSION REGARDING FLEET REPLACEMENT PLANNING**
2. **SUBMISSION OF THE REVENUE/EXPENDITURE REPORTS**
3. **SUBMISSION OF THE REPORT ON OPEN POSITIONS**
4. **MISCELLANEOUS COMMENTS.**

ITEM 1

FLEET REPLACEMENT PLANNING

FMD. This also does not mean that these units are not needed by the departments and divisions to which they are assigned, just that they do not get a lot of use and should be studied further. The purpose of this exercise was to determine if there was the potential opportunity to reduce the size of the City's fleet. As stated above, there are a number of instances where a vehicle that accumulates low mileage is just as critical to the operation as a high mileage unit.

Another important issue that must be considered is operational necessity. For example, residential sanitation services require a specific number of vehicles to meet a certain number of routes. If vehicles are not available then the level of service will suffer. In this operation and in others, a reasonable number of spare vehicles are required. A typical spare ratio for residential sanitation operations is 15-25 percent.

The impact of eliminating just 10 percent of the vehicles that traveled on average less than 6,000 miles a year would be significant, even using conservative estimates.

Figure 7: Impact of Rightsizing the Fleet

Issue	Summary
Total vehicles averaging less than 6,000 miles or 500 hours per year in the sample group	216[4]
Reduction assumption	10%
Number of vehicles potentially eliminated	22
Potential disposal revenue	$80,000
Initial replacement cost avoidance	$3.2 million
Total annual M&R cost avoidance potential	$65,000

Action Items

- Review fleet utilization with an eye on right-sizing the fleet. In addition to reviewing mileage and/or engine hours, other critical factors should be evaluated such as the number of times that the unit was dispatched during the past 12 months, availability of alternative vehicles (e.g., commercial rentals), and changes in mission that may have rendered certain units obsolete in the FMD fleet.
- Develop formal policies and procedures that will dictate how fleet utilization is managed.

[4] A list of these units is provided in the Appendix.

Motor Pool

Objective

Provide transportation alternatives to City employees in the most cost efficient manner possible.

Findings and Conclusions

The City does not have a formal vehicle or equipment motor pool for the purpose of sharing fleet assets to meet transportation needs. Several departments acquire and maintain the same or similar general purposes vehicles (e.g., sedans and pickup trucks) or heavy and specialty equipment for occasional use that could be used more effectively if pooled for interdepartmental daily rental. For example, backhoes that are required on rare occasions (a few times per year) by one department, are used more frequently by another department, but are not used every day. Informally, departments borrow equipment from one another to meet some occasional needs; however, there is not a formal system for tracking the equipment loans or charging back those costs to the "borrowing" departments.

FMD does have some "loaner" vehicles to provide to users in the event their vehicle is in the shop for a prolonged service or repair.

During interviews, some departments indicated that some transportation requirements are planned events (training, meetings, equipment moving, or other events) for which users indicate they would typically have sufficient notice to plan ahead and reserve a vehicle if they could be assured that there were sufficient pool vehicles available to meet their needs. Currently these departments have vehicles assigned to them and use them as needed. When not needed, they sit idle.

A well-managed motor pool with a diverse mix of vehicles would provide opportunities for additional fleet reductions as users' become accustomed to renting from a central source and recognize the budgetary savings of using short-term rentals in lieu of department-assigned vehicles.

The City will find this a more cost-effective transportation solution, overall, than departments having multiple permanently assigned vehicles or reimbursing drivers for using their personal vehicles. A high-level best-practices motor pool checklist is provided in the appendix for reference.

Before acquiring a vehicle for permanent assignment, an organization should always evaluate the possibility of temporary or shared use of a motor vehicle from a motor pool. This is an effective transportation solution; however, management of the motor pool should include tracking utilization to ensure that this is the most cost-effective solution. Vehicles in such a pool tend to be used more consistently than those assigned to individuals or departments because they are rotated among users, balancing out usage.

If a pool were well organized, fewer vehicles per user would be needed without sacrificing availability or quality of transportation and/or travel reimbursements.

Cleanliness, reliability and uniformity of the pooled vehicles directly affect the success of such an arrangement. Ideally, any given vehicle in the pool should be no less desirable than any other within its duty class. For users to obtain a vehicle for an assignment or outing easily, the pool must be located close to their base workplace (e.g., 201 West Gray Street and 1301 Da Vinci), and documentation should be as simple and streamlined as possible while still tracking essential information on usage and accounting.

Passenger cars, general-duty pickup trucks, cargo vans, passenger vans, and sport utility vehicles are all ideal candidates for pooling. Additionally large, expensive construction type equipment (e.g., backhoes, wheel loaders, skid steer loaders, etc.) should also be considered for a shared use pool. Most of the vehicles and equipment needed to start the pool would come from departments that currently have these types of units but are not fully utilizing them. The centrally managed pool does not mean centrally located. In fact, it will probably be more effective to distribute the pool to strategic locations where they are most likely to be needed. In fact, many of the specialty items may actually remain at their present department facility but will become equally available to all departments as needed. This approach normally utilizes modern motor pool management software to optimize the operation of the pool.

Rather than implement a policy that requires use of a motor pool vehicle as opposed to mileage reimbursement, the City may want to consider developing and instituting a two-tier mileage rate program. The higher rate can continue to be the business mileage rate published annually by the Internal Revenue Service, and it would be paid when a motor pool vehicle is not available. The lower rate should kick in when personnel opt to use their personally provided vehicle (PPV) even though a motor pool vehicle is available. A report provided by the City indicates that in 2012 $6,700 was paid to employees for mileage reimbursement and that another two employees receive a regular automobile allowance (amount not provided).

FMD should select and implement a motor pool management software program to facilitate departmental and personnel ability to reserve motor pool vehicles, to track vehicle utilization, and to manage pool size. Many applications are now available that will allow on-line vehicle reservations, provide automated key control, and furnish a host of utilization reports that will supply information that can be used to right-size the motor pool fleet. Many fully functional fleet management information systems, including FMD's current system, *FASTER*, now have a motor pool module that ties in with the management and maintenance and repair application.

A formal motor pool will certainly require more effort and possibly an additional staff member. However the reduction in the overall size of the City fleet would more than off-set any cost associated with implementing and managing a motor pool.

Action Items

- Establish a formal shared use fleet motor pool.
- Purchase the *FASTER* motor pool module.

Take Home Vehicles

Objective

To provide City vehicles to employees that are required to respond to emergency conditions after hours in the quickest possible manner.

Findings and Conclusions

The City has a policy dealing with take-home vehicles (308: Take Home Vehicle Policy) that covers the primary issues dealing with this practice including criteria for eligibility, improper use, distance requirement, licensing and safety, accidents, and IRS regulations. However, public safety departments are excluded from the City policy. Police and Fire departments for the City of Norman have their own administrative rules/regulations/standard operating procedures governing the practice of utilizing City vehicles for this purpose.

During interviews with each department we were made aware of only two departments that had regular take home vehicles; the Police and Fire departments. Other departments, on occasion, would allow an employee to take a City vehicle home at times if situations justified this action.

The Fire Department reported 8 vehicles that are considered regular take home vehicles. Take home vehicles assigned to Fire Prevention (5 vehicles) are a negotiated item in the bargaining unit agreement. The Fire Chief and Deputy Chief are assigned take home vehicles as well as the Emergency Management Coordinator.

Based on information provided to our project team, we estimate that nearly 48,000 additional miles (based on domicile locations provided by the department) are accumulated on these vehicles driving to and from home. At an average fuel economy rating of 12 MPG at an average fuel price of $3.50 per gallon, the additional fuel cost to the City is about $14,000 per year. There would also be a slight increase in maintenance and repair costs from the additional use.

The Police Department reportedly has 115 take home vehicles or 60 percent of their fleet is driven to and from home. Most of them are assigned to patrol officers and criminal investigation. Detailed information on these vehicles was not provided but assuming an average round trip commute of 25 miles; average of 12 MPG; average fuel cost of $3.50 and 220 work days, we can estimate that an additional 632,500 miles are accumulated each year. The additional fuel cost based on these assumptions would be $185,000. The Police Department has internal guidelines (Norman Policy Department

Policy Number 113 – Motor Vehicle Assignment, Use and Maintenance) regarding the use (e.g., conditions for driving Police vehicles while off-duty) and parking (e.g., Patrol Officers are required to live within the City limits to be eligible to take a vehicle home) of take home vehicles.

We acknowledge that these estimates do not factor in the number of times that these employees report directly to an emergency from home or directly to, for example, a patrol district from home which could have a significant impact on these estimates.

Additionally, based on our experience in this area with local government fleet operations across North America, the decision whether to allow, for example, a patrol officer to take a vehicle home is typically not a fleet decision, rather an issue of public safety and operational necessity.

Action Items

- Develop a comprehensive list of take home vehicles to include vehicle number, employee name, employee position title, department, distance (miles) from work to home, and justification. Update this list annually.

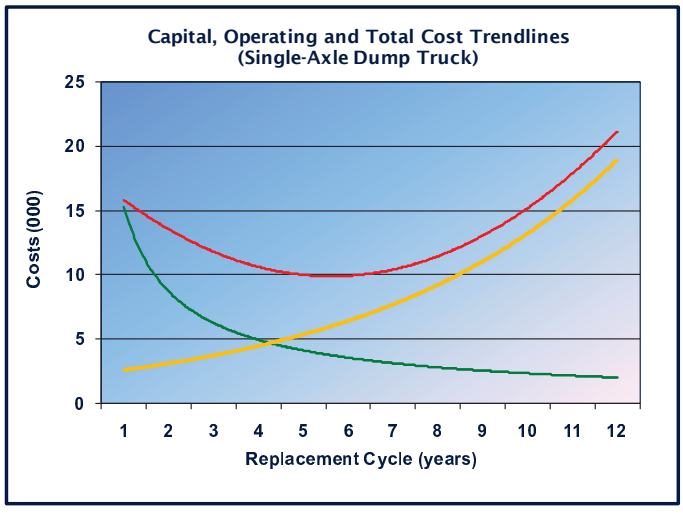
Fleet Replacement planning

Objective

An effective fleet replacement program is essential for controlling fleet performance (i.e., vehicle suitability, availability, reliability, safety, and environmental impacts) and total cost of ownership.

Findings and Conclusions

The economic theory of vehicle replacement is illustrated graphically in the figure at right, derived from an optimal replacement cycle analysis we recently conducted for another city fleet. As a vehicle ages, its capital cost diminishes and its operating costs increase. The combination of these two costs produces a U-shaped total cost of owner-ship curve. Ideally, a vehicle or piece of equipment should be replaced at the age (or accumulated miles or hours of use) at which the total cost of ownership is at a minimum – that is, at the bottom of the U-shaped curve.



The total cost curve is different for different types of vehicles and, indeed, for individual vehicles of a given type. This variability is caused by differences in the design and engineering of different types of vehicles, in operating environments, in the quality of care vehicles receive, and a variety of other factors. In recognition of this fact, organizations should develop *recommended* replacement cycles for particular classes or types of vehicles which reflect the optimal replacement cycle as determined from actual cost data on the units in that particular class. Historically, this was most often accomplished in an informal manner based on discussions with mechanics and drivers, a comparison of replacement cycles with peer organizations, and historical replacement funding levels for an entire fleet.

However, best practice fleet management organizations develop these cycles empirically using life cycle cost analysis techniques. This approach involves modeling the stream of costs associated with acquiring, operating, and disposing of a particular type of vehicle or piece of equipment over various replacement cycles, and then determining the cycle that will result in the lowest total cost of ownership (TCO). The equivalent annual cost (EAC) of each cycle is computed and compared in order to determine which cycle yields the minimum TCO.

The active FMD fleet in June 2013 was, on average, 8.9 years old. Assuming that the assets in a fleet are normally distributed by age, which is not unreasonable for a fleet of almost 1,000 units, their average age will be one-half of their average replacement cycle. We can infer from this that the "de facto" average replacement cycle for the assets in the fleet is two times 8.9, or 17.8 years. In an optimally replaced mixed duty fleet for an organization similar to the City of Norman, we would expect to see an average age between 5 and 6 years (imputed replacement cycles of between 10 and 12 years) to be more consistent with industry standards. For the City of Norman we have developed replacement statistics based on a weighted average replacement cycle of 10.2 years. The following table shows a comparison of the de facto and recommended replacement cycles for selected types of assets in the fleet.

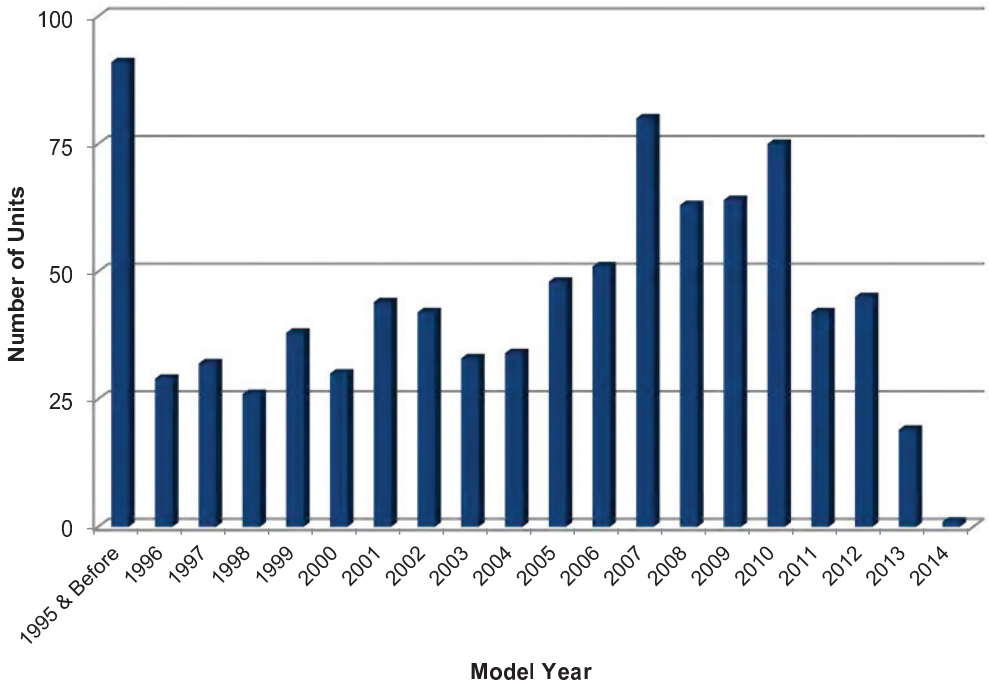
Figure 8: Replacement Parameter Summary

Vehicle Type	# of Units Reviewed	Average Age (years)	Imputed Replacement Cycle (years)	Target Replacement Cycle (years)
Pickup trucks, ½-ton regular cab	28	8.7	17.3	10
Pickup trucks, ¾-ton regular cab	23	10.3	20.6	10
Sedan, administrative	15	9.4	18.8	8
Sedan, emergency services	103	5.2	10.4	7
SUV, emergency services	15	3.4	6.7	9

SUV, standard	11	8.2	16.4	10
Truck, HD sanitation front loader	15	5.9	11.9	9
Truck, HD sanitation rear loader	28	7.8	15.5	9
Truck, HD other	39	9.4	18.8	12-15
Backhoe/loader	14	8.6	17.2	15

A fleet that was replaced regularly in accordance with reasonable replacement cycles would have a normal distribution of assets by model year. The bell-shaped density curve should be symmetrical, centered about its mean. As the following graph reflects, the bell curve is distorted by the large number of older vehicles still in the active fleet as of May 2013. In fact, more than 10 percent of the fleet is model year 1995 or older.

Figure 9: Distribution of Fleet by Model Year



Any successful fleet replacement strategy begins with the development of a long-term fleet replacement plan that projects future vehicle replacement dates and purchase costs associated with the use of a given set of replacement cycle guidelines. It quantifies year-to-year, fleet-wide replacement costs by asset.

A key benefit of a long-term replacement plan is its ability to help fleet managers educate decision makers as to the magnitude of fleet replacement costs and the inherent “lumpiness” of such costs over time. It specifically helps fleet management organizations and their customers address two misconceptions held by many

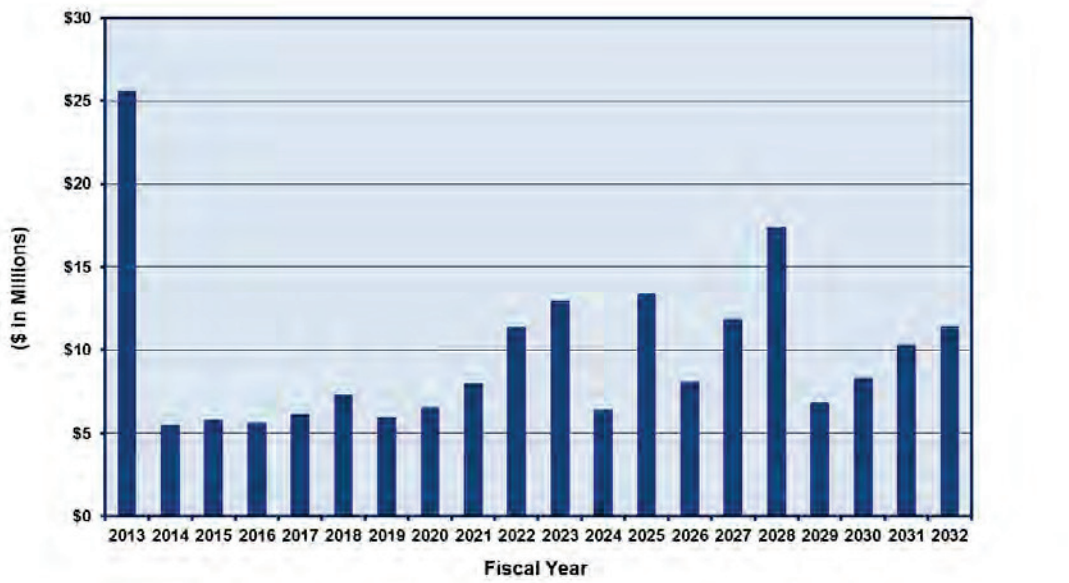
nonprofessionals that often are major factors in an organization's failure to devote enough funds to fleet replacement. One of these is the belief that fleet replacement expenditures are quasi discretionary and that there is no compelling reason to fill 100 percent of the requests for fleet replacement funds that user organizations make each year. The other is the belief that it is not necessary to vary to any significant degree the amount of funds devoted to fleet replacement spending from year to year.

A good fleet replacement planning process not only quantifies the costs of replacing the fleet over the long term so that management and budget decision makers can see that this is a significant, recurring, albeit variable cost of doing business. It also illustrates the consequences of underfunding replacement expenditures by translating spending shortfalls into future spikes in, and backlogs of, replacement spending needs.

Mercury uses a proprietary computer program called *CARCAP*™ (*Capital Asset Replacement Cost Analysis Program*™) to develop fleet replacement plans and analyze various costs and other outcomes associated with their implementation. This program allows us to project the remaining life, and future replacement dates, replacement costs, residual values, ages, book and fair market values, book and effective depreciation costs, and maintenance and repair costs of each individual *asset* in a fleet, which can then be rolled up into department, fund, and jurisdiction-wide totals for *fleet* cost analysis purposes.

CARCAP™ generates a replacement plan by 1) comparing the current age and odometer or hour meter reading of each individual asset in the fleet against recommended replacement criteria in age, miles, or engine hours for that type of asset; 2) projecting when each asset will reach each applicable criterion or threshold for replacement; and 3) estimating the purchase price of the asset in the year in which it will reach whichever threshold comes first. We used this program to develop a baseline fleet replacement plan for the City.

Figure 10: Baseline Fleet Replacement Plan



As this baseline replacement plan indicates there is a significant backlog of fleet replacement needs. In fact, the backlog is nearly $26 million. It also demonstrates that fleet replacement needs will not go away, they will only be pushed to a later time resulting in higher maintenance and repair costs, higher fuel costs, less fleet reliability, and a need for more spare and backup vehicles and additional mechanics as their maintenance burden increases

Figure 11: Fleet Replacement Statistics

Total number of units currently in the fleet	887
Number of asset types	122
Current mean asset age (years)	8.9
De facto average replacement cycle (years)	17.8
Average recommended replacement cycle (years)	10.2
Average asset purchase price	$ 73,600
Gross fleet replacement cost	$ 65.1 M
Average annual fleet replacement spending requirement	$ 6.4 M
Average annual replacement expenditures (Model Years 2004-13)	$ 3.1 M
Average annual replacement expenditures (Model Years 2012-13)	$1.6 M
Current replacement backlog	$ 25.6 M

Number of assets that exceed recommended replacement age	389
Percentage of assets that exceed recommended age	44%

Even if the City had the financial wherewithal to do so, we would *not* recommend that it (or any other organization for that matter) attempt to replace 44 percent of the assets in its fleet in a single year. There are a number of reasons for this, the two most important of which are 1) the logistical challenges of accomplishing it, such as the impact on operations of commissioning, exchanging, and decommissioning this many assets; and 2) ripple effects in future fleet replacement costs that would result from many of the assets replaced in the first year of the plan coming due for replacement simultaneously in future years. The existing replacement backlog did not arise overnight and there is no reason to think that it can or should be eliminated overnight. In short, the baseline replacement plan is a very valuable benchmarking tool, but not a practical plan for modernizing the City of Norman's fleet.

The City finances the replacement of vehicles primarily through annual appropriations of cash. This approach is common among government entities but often results in an aged fleet. It is a "pay-before-you-go" financing approach where an organization pays for the entire cost of the asset before it is ever used.

Cities such as Norman generally use one (or a combination) of methods for financing fleet capital costs:

- Purchase with cash using funds appropriated on an ad hoc ad hoc (year-to-year) basis;
- Purchase with cash accumulated in a sinking or reserve fund, usually accompanied by a cost-charge back system that collects funds from fleet user organizations incrementally to defray the costs of the fleet assets they use; and/or
- Purchase with funds borrowed from financial institutions (e.g., an equipment loan, a master "lease-purchase" agreement, a line of credit, etc.) and/or investors (e.g., certificates of participation, general obligation bonds, etc.).

Historically, the City of Norman has financed most of its fleet asset acquisitions using the first of these methods. The fact that the fleet is so old also indicates that the City has not been well served by the current capital financing approach it traditionally has employed.

In the case of outright cash purchase financing, the fiscal impact (i.e., funding requirement) associated with replacing a vehicle is its purchase price less its residual value, with 100 percent of the purchase price being paid in the year the vehicle is

replaced and proceeds from the sale of the vehicle at the end of its life being received in the year in which it is disposed of.

Advantages

- This is a pay-before-you-go approach that historically has been used in the public sector; therefore it is generally accepted in all branches of government and by the public. It is the approach that the City currently uses. Since using one of the other methods of financing discussed here would require a change to the current method, the advantage here is that actions to implement such a change are not required.
- Under this approach, an out-of-pocket cost of capital is neither paid nor recognized. This is really only a perceived advantage, however. In fact, we would argue that the fact that this cost is not recognized is a disadvantage, because using cash to purchase vehicles is not "free." At a minimum, there is the opportunity cost of foregone interest earnings from investing the cash in some type of security. This opportunity cost can be quite a bit higher, however, if the cash spent on vehicles can be invested in programs and projects that further the mission of the organization in ways that yield a return on investment far greater than that earned by avoiding paying interest to borrow funds for fleet replacement.

Disadvantages

- It is difficult to accommodate "lumpy" annual fleet replacement spending needs with an annual budgeting process that typically is driven by the previous year's expenditures (meaning that the amount of money available for fleet replacement is relatively constant). As a result, some, often large numbers of, asset replacements need to be deferred in certain years.
- There is a constant temptation under this financing approach to postpone the replacement of assets and to spend money on repairs inappropriately because the marginal cost (i.e., cash requirement in the next fiscal year) of fixing an old vehicle is almost always lower than the cost of replacing it.
- Continually deferring the replacement of vehicles results in an old fleet whose direct total cost of ownership is higher than necessary and whose deteriorating safety, availability, and reliability affect the efficiency, effectiveness, and safety of operations supported by the fleet.
- Continually deferring the replacement of vehicles results in large replacement cost backlogs that become increasingly difficult to overcome.
- The ongoing capital cost of having a vehicle at the disposal of an organization is not apparent to vehicle users, leading to the inefficient deployment and utilization of fleet resources. Fleet users experience little economic benefit in disposing of underutilized or unneeded vehicles whose original purchase price they view as a sunk cost.

ITEM 2

REVENUE/EXPENDITURE REPORTS

SUMMARY OF MAJOR GENERAL FUND REVENUE SOURCES
VS. BUDGET, FYE 2016 - AS OF AUGUST 31, 2015

MAJOR REVENUE SOURCE	TOTAL BUDGET	PROJECTED TO DATE	Current Month Collections	COLLECTED TO DATE	% Var. From Proj To Date	Prior FY To Date	% Var. From Prior FYTD
Sales Tax	39,667,500	6,374,171	3,372,451	6,545,182	2.68%	6,230,066	5.06%
Use Tax	2,472,000	391,533	196,035	401,297	2.49%	373,757	7.37%
Franchise Taxes/Fees	7,878,562	1,341,491	874,724	1,442,206	7.51%	1,392,447	3.57%
Licenses and Permits	1,483,185	186,014	130,333	242,161	30.18%	192,894	25.54%
Shared (Other) Taxes	2,334,549	389,092	203,463	382,542	-1.68%	370,503	3.25%
Fines and Forfeitures	2,678,000	446,333	185,652	398,379	-10.74%	495,631	-19.62%
Investment/Interest Income	25,000	4,167	2,326	4,226	1.42%	2,349	79.94%
TOTAL: General Fund (Major)	56,538,796	9,132,799	4,964,984	9,415,992	3.10%	9,057,647	3.96%

SUMMARY OF MAJOR CAPITAL PROJECT FUND REVENUE SOURCES
VS. BUDGET, FYE 2016 - AS OF AUGUST 31, 2015

MAJOR REVENUE SOURCE	TOTAL BUDGET	PROJECTED TO DATE	Current Month Collections	COLLECTED TO DATE	% Var. From Proj To Date	Prior FY To Date	% Var. From Prior FYTD
Sales Tax	12,385,500	1,990,226	1,026,398	1,992,012	0.09%	2,131,972	-6.56%
Investment/Interest Income	150,000	25,000	16,528	28,458	13.83%	18,142	56.87%
TOTAL: Capital Fund (Major)	12,535,500	2,015,226	1,042,926	2,020,470	0.26%	2,150,114	-6.03%

SUMMARY OF MAJOR ROOM TAX FUND REVENUE SOURCES
VS. BUDGET, FYE 2016 - AS OF AUGUST 31, 2015

MAJOR REVENUE SOURCE	TOTAL BUDGET	PROJECTED TO DATE	Current Month Collections	COLLECTED TO DATE	% Var. From Proj To Date	Prior FY To Date	% Var. From Prior FYTD
Hotel/Motel Room Tax	1,828,250	304,708	150,881	328,514	7.81%	332,399	-1.17%
Investment/Interest Income	1,500	250	338	563	125.07%	322	74.84%
TOTAL: Room Tax Fund	1,829,750	304,958	151,219	329,076	7.91%	332,720	-1.10%

SUMMARY OF MAJOR UNP TIF FUND REVENUE SOURCES
VS. BUDGET, FYE 2016 - AS OF AUGUST 31, 2015

MAJOR REVENUE SOURCE	TOTAL BUDGET	PROJECTED TO DATE	Current Month Collections	COLLECTED TO DATE	% Var. From Proj To Date	Prior FY To Date	% Var. From Prior FYTD
Sales Tax	3,641,133	585,094	434,216	831,872	42.18%	774,987	7.34%
Investment/Interest Income	17,500	2,917	571	1,043	-64.24%	5,514	-81.08%
TOTAL: UNP TIF Fund (Major)	3,658,633	588,010	434,787	832,915	41.65%	780,501	6.72%

SUMMARY OF MAJOR WESTWOOD FUND REVENUE SOURCES
VS. BUDGET, FYE 2016 - AS OF AUGUST 31, 2015

MAJOR REVENUE SOURCE	TOTAL BUDGET	PROJECTED TO DATE	Current Month Collections	COLLECTED TO DATE	% Var. From Proj To Date	Prior FY To Date	% Var. From Prior FYTD
Golf Green	655,184	164,994	70,220	134,017	-18.77%	134,547	-0.39%
Golf Driving Range	114,725	27,841	14,425	27,614	-0.81%	25,911	6.57%
Golf Carts	318,201	83,377	43,263	79,301	-4.89%	78,540	0.97%
Swimming Pool	95,000	42,478	14,209	50,803	19.60%	35,218	44.25%
TOTAL: Westwood Fund (Major)	1,183,110	318,690	142,117	291,735	-8.46%	274,217	6.39%

SUMMARY OF MAJOR WATER FUND REVENUE SOURCES
VS. BUDGET, FYE 2016 - AS OF AUGUST 31, 2015

MAJOR REVENUE SOURCE	TOTAL BUDGET	PROJECTED TO DATE	Current Month Collections	COLLECTED TO DATE	% Var. From Proj To Date	Prior FY To Date	% Var. From Prior FYTD
User Fees-Residential	12,378,707	2,807,615	1,628,808	3,125,410	11.32%	1,853,253	68.64%
User Fees-Commercial	1,699,489	283,248	327,828	575,280	103.10%	246,911	132.99%
User Fees-Industrial	234,342	39,057	39,847	71,838	83.93%	32,061	124.06%
User Fees-Institutional	553,507	92,251	11,651	89,474	-3.01%	52,658	69.91%
Connection Fees	900,000	150,000	30,213	66,833	-55.44%	51,085	30.83%
Capital Improvement Charges	1,313,000	218,833	134,336	255,404	16.71%	256,046	-0.25%
Investment/Interest Income	120,000	20,000	14,131	24,462	22.31%	13,658	79.10%
TOTAL: Water Fund (Major)	17,199,045	3,611,004	2,186,813	4,208,701	16.55%	2,505,673	67.97%

SUMMARY OF MAJOR WATER RECLAMATION FUND REVENUE SOURCES
VS. BUDGET, FYE 2016 - AS OF AUGUST 31, 2015

MAJOR REVENUE SOURCE	TOTAL BUDGET	PROJECTED TO DATE	Current Month Collections	COLLECTED TO DATE	% Var. From Proj To Date	Prior FY To Date	% Var. From Prior FYTD
User Fees-Residential	7,266,368	1,211,061	676,596	1,349,977	11.47%	1,341,070	0.66%
User Fees-Commercial	1,377,582	229,597	172,700	302,148	31.60%	236,935	27.52%
User Fees-Industrial	150,657	25,110	19,200	35,097	39.78%	28,896	21.46%
User Fees-Institutional	1,001,131	166,855	8,452	215,305	29.04%	170,108	26.57%
Capital Improvement Charges	688,407	114,735	87,501	161,569	40.82%	115,951	39.34%
Investment/Interest Income	50,000	8,333	6,032	11,216	34.60%	7,575	48.07%
TOTAL: Water Reclamation Fund (Major)	10,534,145	1,755,691	970,481	2,075,312	18.20%	1,900,535	9.20%

SUMMARY OF MAJOR SEWER MAINTENANCE FUND REVENUE SOURCES
VS. BUDGET, FYE 2016 - AS OF AUGUST 31, 2015

MAJOR REVENUE SOURCE	TOTAL BUDGET	PROJECTED TO DATE	Current Month Collections	COLLECTED TO DATE	% Var. From Proj To Date	Prior FY To Date	% Var. From Prior FYTD
Sewer Maintenance Fee	2,884,843	476,250	241,323	489,050	2.69%	481,028	1.67%
TOTAL: Sewer Maintenance Fund (Major)	2,884,843	476,250	241,323	489,050	2.69%	481,028	1.67%

SUMMARY OF MAJOR NEW DEVELOPMENT EXCISE FUND REVENUE SOURCES
VS. BUDGET, FYE 2016 - AS OF AUGUST 31, 2015

MAJOR REVENUE SOURCE	TOTAL BUDGET	PROJECTED TO DATE	Current Month Collections	COLLECTED TO DATE	% Var. From Proj To Date	Prior FY To Date	% Var. From Prior FYTD
WW Excise Tax (Residential)	1,300,000	202,635	96,815	205,393	1.36%	192,516	6.69%
WW Excise Tax (Commercial)	400,000	66,667	6,694	11,548	-82.68%	51,193	-77.44%
TOTAL: New Development Excise Fund (Major)	1,700,000	269,302	103,509	216,941	-19.44%	243,709	-10.98%

SUMMARY OF MAJOR SANITATION FUND REVENUE SOURCES
VS. BUDGET, FYE 2016 - AS OF AUGUST 31, 2015

MAJOR REVENUE SOURCE	TOTAL BUDGET	PROJECTED TO DATE	Current Month Collections	COLLECTED TO DATE	% Var. From Proj To Date	Prior FY To Date	% Var. From Prior FYTD
User Fees-Residential	6,733,104	1,122,184	621,061	1,244,031	10.86%	1,224,764	1.57%
User Fees-Commercial	2,984,603	497,434	286,212	581,431	16.89%	586,968	-0.94%
User Fees-Industrial	135,265	22,544	12,034	24,672	9.44%	26,894	-8.26%
User Fees-Institutional	384,629	64,105	20,431	51,864	-19.09%	58,452	-11.27%
User Fees-Transfer Station	480,000	80,000	63,390	133,981	67.48%	99,177	35.09%
User Fees - Recycling	1,055,388	175,898	93,661	187,459	6.57%	184,869	1.40%
Recycled Material Sales	210,202	35,034	11,986	24,663	-29.60%	22,455	9.83%
Investment/Interest Income	30,000	5,000	5,524	9,648	92.96%	5,777	67.00%
TOTAL: Sanitation Fund (Major)	12,013,191	2,002,199	1,114,300	2,257,749	12.76%	2,209,357	2.19%

SUMMARY OF MAJOR FUND EXPENDITURES VS. BUDGET
VS. BUDGET, FYE 2016 - AS OF AUGUST 31, 2015

FUND	TOTAL BUDGET	PROJECTED TO DATE *	Current Month Expended	EXPENDED TO DATE	% Var. From Proj To Date	Prior FY To Date	% Var. From Prior FYTD
General Fund	79,810,294	13,301,716	5,952,115	13,002,081	-2.25%	12,451,818	4.42%
Capital Fund	67,279,165	11,213,194	2,187,316	2,829,521	-74.77%	1,699,601	66.48%
Westwood Fund	1,533,484	255,581	124,512	278,714	9.05%	280,644	-0.69%
Water Fund	42,991,424	7,165,237	1,695,365	2,295,589	-67.96%	2,592,955	-11.47%
Water Reclamation Fund	38,201,058	6,366,843	1,923,366	2,387,179	-62.51%	1,199,030	99.09%
Sewer Maintenance Fund	8,050,467	1,341,745	918,877	927,608	-30.87%	27,350	3291.61%
New Development Fund	18,721,689	3,120,282	220,070	220,070	-92.95%	650,081	0.00%
Sanitation Fund	15,562,943 (Adjusted Budget)	2,593,824	1,112,324	1,576,799	-39.21%	1,281,448	23.05%

* Based on historical collection patterns (where known), or based on proportion of the fiscal year elapsed.

GENERAL FUND:
As of August 31, 2015

	Original Budget - Annual	Adjusted budget - Annual	YTD Actual - 2 Months	Unencumb Balance
Beginning Fund Balance	3,983,935	5,892,645	$ 5,892,645	
REVENUES:				
Revenue	69,683,138	69,685,288	10,900,443	
Transfers In	4,981,738	4,993,059	832,178	
Total Revenue	74,664,876	74,678,347	11,732,621	
EXPENDITURES:				
Salary / Benefits	52,860,771	52,860,771	9,712,666	43,148,105
Supplies / Materials	6,195,149	6,624,437	685,909	5,485,940
Services / Maintenance	10,660,917	11,620,746	1,697,608	8,051,613
Internal Services	3,474,872	3,474,872	432,002	3,042,870
Capital Equipment	3,422,735	5,209,468	473,896	2,240,304
Debt Service	20,000	20,000	-	20,000
Transfers Out	-	-	-	-
Employee Turnover Savings	(800,000)	(800,000)		
Total Expenditures	75,834,444	79,010,294	13,002,081	61,988,832
Net Difference	(1,169,568)	(4,331,947)	(1,269,460)	
Ending Fund Balance	$ 2,814,367	$ 1,560,698	$ 4,623,185	

RAINY DAY FUND:
As of August 31, 2015

	Original Budget - Annual	Adjusted budget - Annual	YTD Actual - 2 Months	Unencumb Balance
Beginning Fund Balance	$ 3,188,735	$ 3,191,393	$ 3,191,393	
REVENUES:				
Revenue	15,000	15,000	3,827	
Transfers In	-	-	-	
Total Revenue	15,000	15,000	3,827	
EXPENDITURES:				
Transfers Out	-	-	-	-
Total Expenditures	-	-	-	-
Net Difference	15,000	15,000	3,827	
Ending Fund Balance	$ 3,203,735	$ 3,206,393	$ 3,195,220	
Rainy Day Target - 4.5%			3,194,634	

PUBLIC SAFETY SALES TAX FUND:
As of August 31, 2015

	Original Budget - Annual	Adjusted budget - Annual	YTD Actual - 2 Months	Unencumb Balance
Beginning Fund Balance	$ 28,027,261	$ 30,251,154	$ 30,251,154	
REVENUES:				
Revenue	9,917,500	9,917,500	1,637,591	
Transfers In	-	-	-	
Total Revenue	9,917,500	9,917,500	1,637,591	
EXPENDITURES:				
Salary / Benefits	7,247,573	7,247,573	1,328,320	5,919,253
Supplies / Materials	381,144	399,759	17,523	328,108
Services / Maintenance	273,993	394,390	56,032	261,229
Internal Services	145,780	145,780	20,099	125,681
Capital Equipment	257,112	3,405,158	101,759	1,346,389
Capital Project	1,160,747	1,160,747	-	1,160,747
Debt Service	497,845	497,845	167	497,678
Transfers Out	-	-	-	-
Total Expenditures	9,964,194	13,251,252	1,523,900	9,639,085
Net Difference	(46,694)	(3,333,752)	113,691	
Ending Fund Balance	$ 27,980,567	$ 26,917,402	$ 30,364,845	

ROOM TAX FUND:
As of August 31, 2015

	Original Budget - Annual	Adjusted budget - Annual	YTD Actual · 2 Months	Unencumb Balance
Beginning Fund Balance	$ 236,847	$ 353,118	$ 353,118	
REVENUES:				
Revenue	1,829,750	1,829,750	329,076	
Transfers In	-	-	-	
Total Revenue	1,829,750	1,829,750	329,076	
EXPENDITURES:				
Services / Maintenance	1,319,131	1,326,666	257,355	-
Internal Services	91,488	91,488	8,893	82,595
Capital Projects	212,500	461,895	70,537	391,358
Transfers Out	203,754	203,754	33,960	169,794
Total Expenditures	1,826,873	2,083,803	370,745	643,747
Net Difference	2,877	(254,053)	(41,669)	
Ending Fund Balance	$ 239,724	$ 99,065	$ 311,449	

WESTWOOD FUND:
As of August 31, 2015

	Original Budget - Annual	Adjusted budget - Annual	YTD Actual - 2 Months	Unencumb Balance
Beginning Fund Balance	$ 29,768	$ -	$ -	
REVENUES:				
Revenue	1,282,949	1,282,949	323,593	
Transfers In	340,754	340,754	56,794	
Total Revenue	1,623,703	1,623,703	380,387	
EXPENDITURES:				
Salary / Benefits	802,540	802,540	218,178	584,362
Supplies / Materials	126,562	127,135	26,873	98,926
Services / Maintenance	219,837	220,601	29,579	155,606
Internal Services	42,454	42,454	3,981	38,473
Capital Equipment	137,000	137,000	-	137,000
Capital Projects	-	-	-	-
Debt Service	203,754	203,754	104	203,649
Total Expenditures	1,532,147	1,533,484	278,715	1,218,016
Net Difference	91,556	90,219	101,672	
Ending Fund Balance	$ 121,324	$ 90,219	$ 101,672	

WATER FUND:
As of August 31, 2015

	Original Budget - Annual	Adjusted budget - Annual	YTD Actual - 2 Months	Unencumb Balance
Beginning Fund Balance	$ 2,007,279	$ 21,665,124	$ 21,665,124	
REVENUES:				
Revenue	19,427,390	19,427,390	4,885,754	
Transfers In	-	-	-	
Total Revenue	19,427,390	19,427,390	4,885,754	
EXPENDITURES:				
Salary / Benefits	3,896,750	3,896,750	711,770	3,184,980
Supplies / Materials	2,533,633	2,801,493	154,282	2,349,748
Services / Maintenance	3,106,996	3,407,289	195,594	2,846,843
Internal Services	289,708	289,708	41,336	248,372
Cost Allocation	1,792,321	1,792,321	232,048	1,560,273
Capital Equipment	438,311	605,050	43,193	213,040
Capital Projects	3,096,000	26,791,042	761,396	20,894,464
Debt Service	2,546,271	2,546,271	12,388	2,533,883
Audit Adjustments	-	-	-	-
Transfers Out	861,500	861,500	143,584	717,916
Employee Turnover Savings	(58,451)	(58,451)		
Total Expenditures	18,503,039	42,932,973	2,295,591	34,549,519
Net Difference	924,351	(23,505,583)	2,590,163	
Ending Fund Balance	$ 2,931,630	$ (1,840,459)	$ 24,255,287	

WATER RECLAMATION FUND:
As of August 31, 2015

	Original Budget - Annual	Adjusted budget - Annual	YTD Actual - 2 Months	Unencumb Balance
Beginning Fund Balance	$ 6,186,250	$ 2,960,915	$ 2,960,915	
REVENUES:				
Revenue	12,380,479	12,380,479	1,947,910	
Transfers In	-	-	-	
Total Revenue	12,380,479	12,380,479	1,947,910	
EXPENDITURES:				
Salary / Benefits	3,132,520	3,132,520	569,381	2,563,139
Supplies / Materials	502,673	519,051	45,411	466,001
Services / Maintenance	1,445,847	1,562,552	208,556	1,098,059
Internal Services	382,977	382,977	55,391	327,586
Cost Allocation	1,777,809	1,777,809	224,277	1,553,532
Capital Equipment	1,026,932	1,085,436	1,745	926,357
Capital Projects	1,314,000	24,197,132	755,695	3,544,649
Debt Service	5,018,633	5,018,633	278	5,015,495
Audit Adjustments	-	-	-	-
Transfers Out	524,948	524,948	526,444	(1,496)
Employee Turnover Savings	(46,988)	(46,988)		
Total Expenditures	15,079,351	38,154,070	2,387,178	15,493,322
Net Difference	(2,698,872)	(25,773,591)	(439,268)	
Ending Fund Balance	$ 3,487,378	$ (22,812,676)	$ 2,521,647	

SEWER MAINTENANCE FUND:
As of August 31, 2015

	Original Budget - Annual	Adjusted budget - Annual	YTD Actual - 2 Months	Unencumb Balance
Beginning Fund Balance	$ 540	$ 31,072	$ 31,072	
REVENUES:				
Revenue	2,884,843	2,884,843	927,608	
Transfers In	-	-	-	
Total Revenue	2,884,843	2,884,843	927,608	
EXPENDITURES:				
Salary / Benefits	74,682	74,682	14,523	60,159
Supplies / Materials	2,516	2,516	1,380	1,136
Services / Maintenance	2,025	2,025	-	1,325
Internal Services	-	-	-	-
Cost Allocation	-	-	-	-
Capital Equipment	-	2,071	-	2,071
Capital Projects	2,785,000	7,969,173	911,705	4,631,103
Audit Adjustments	-	-	-	-
Employee Turnover Savings	-			
Total Expenditures	2,864,223	8,050,467	927,608	4,695,794
Net Difference	20,620	(5,165,624)	-	
Ending Fund Balance	$ 21,160	$ (5,134,552)	$ 31,072	

NEW DEVELOPMENT EXCISE FUND:
As of August 31, 2015

	Original Budget - Annual	Adjusted budget - Annual	YTD Actual - 2 Months	Unencumb Balance
Beginning Fund Balance	$ 11,723,368	$ 8,138,024	$ 8,138,024	
REVENUES:				
Revenue	1,900,000	1,900,000	227,233	
Transfers In	-	-	-	
Total Revenue	1,900,000	1,900,000	227,233	
EXPENDITURES:				
Services / Maintenance	-	16,180	10,310	-
Capital Projects	-	16,028,090	209,760	3,115,203
Debt Service	2,677,419	2,677,419	-	2,677,419
Audit Adjustments	-	-	-	-
Total Expenditures	2,677,419	18,721,689	220,070	5,792,622
Net Difference	(777,419)	(16,821,689)	7,163	
Ending Fund Balance	$ 10,945,949	$ (8,683,665)	$ 8,145,187	

SANITATION FUND:
As of August 31, 2015

	Original Budget - Annual	Adjusted budget - Annual	YTD Actual - 2 Months	Unencumb Balance
Beginning Fund Balance	$ 4,540,931	$ 9,105,778	$ 9,105,778	
REVENUES:				
Revenue	12,950,120	12,950,120	2,435,860	
Transfers In	-	-	-	
Total Revenue	12,698,825	12,950,120	2,435,860	
EXPENDITURES:				
Salary / Benefits	3,958,861	3,958,861	722,013	3,236,848
Supplies / Materials	1,630,315	1,631,146	100,832	1,529,234
Services / Maintenance	2,995,796	2,995,348	291,422	2,700,011
Internal Services	849,008	849,008	89,857	759,151
Cost Allocation	1,362,362	1,362,362	208,470	1,153,892
Capital Equipment	1,726,605	2,059,181	159,759	190,118
Capital Projects	1,000,000	2,063,989	4,238	2,041,661
Debt Service	643,048	643,048	208	642,840
Audit Adjustments	-	-	-	-
Total Expenditures	14,165,995	15,562,943	1,576,799	12,253,755
Net Difference	(1,467,170)	(2,612,823)	859,061	
Ending Fund Balance	$ 3,073,761	$ 6,492,955	$ 9,964,839	

CAPITAL FUND:
As of August 31, 2015

	Original Budget - Annual	Adjusted budget - Annual	YTD Actual - 2 Months	Unencumb Balance
	$ 11,406,653	$ 58,262,441	$ 58,262,441	
REVENUES:				
Revenue	12,547,056	12,547,056	2,029,472	
Transfers In	1,019,975	1,019,975	-	
Total Revenue	13,567,031	13,567,031	2,029,472	
EXPENDITURES:				
Salary / Benefits	935,065	935,065	182,439	752,626
Supplies / Materials	16,000	16,000	225	15,775
Internal Services	200	200	33	167
Capital Projects	13,750,319	61,575,635	2,024,773	52,289,760
Debt Service	-	-	-	-
Transfers Out	4,752,265	4,752,265	622,050	4,130,215
Total Expenditures	19,453,849	67,279,165	2,829,520	57,188,543
Net Difference	(5,886,818)	(53,712,134)	(800,048)	
Ending Fund Balance	$ 5,519,835	$ 4,550,307	$ 57,462,393	

Appropriations from Fund Balance FY16

Fund	Gaining Account	Amount	Agenda Date	Item No.	Project No.	Description
General Fund						
010-0000-365-1372	010-6015-421-5121	2,150.00	7/28/2015	26		donations to purchase emergency lighting & sirens for NPD bicycles
Special Grants Fund						
022-0000-331-1312	022-5023-429-3212	10,000.00	7/28/2015	50		ACOG traffic data grant for traffic studies
022-0000-334-1326	022-4046-464-4009	15,000.00	8/11/2015	19		CLG grant to support local historic programs
022-0000-334-1326	022-4046-464-4604	1,000.00	8/11/2015	19		CLG grant to support local historic programs
022-0000-334-1326	022-4046-464-4701	1,000.00	8/11/2015	19		CLG grant to support local historic programs
Seizures & Restitution Fund						
025-0000-253-2000	025-6035-421-4136	19,400.00	7/14/2015	13		purchase Lexipol Policy subscription-web based policy manuals with training component
Risk Management Fund						
043-0000-367-1264	010-5023-429-3212	9,964.00	7/14/2015	35		Insurance funds received to pay for damages to traffic signal equipment from accidents
043-0000-367-1264	010-5023-429-3213	1,357.00	7/14/2015	35		Insurance funds received to pay for damages to traffic signal equipment from accidents
Sewer Maintenance Fund						
321-9338-432-6101	321-0000-253-0000	1,000,000.00	8/25/2015	19	WW0200	Increase sewer maint fund balance

General Fund Transfers Over $50,000 between Expenditure Categories - FYE 16
August 2015

Department	Division	Losing Account	Account Description	Gaining Account	Account Description	Amount

NONE TO REPORT **********

ITEM 3

OPEN POSITIONS REPORT

CITY OF NORMAN
Position Vacancy Report
9/3/2015

POSITIONS AUTHORIZED TO FILL			
Position	**Department/Division**	**Status**	
Custodian	City Clerk/Custodial Services	Accepting Applications	
Plans Examiner II	Planning/Development Services	Accepting Applications	
Auto Service Technician	Public Works/Fleet	Accepting Applications	
GIS Utilities Analyst	Utilities Admin	Conducting Selection Process	
Utilities Inspector	Utilities Admin	Accepting Applications	
Maintenance Worker I	Utilties/Water Line Maintenance	Accepting Applications	
Sanitation Worker I (2)	Utilities/Yard Waste	Accepting Applications	
Crime Analyst I	Police/Investigations	Conducting Selection Process	
Parking Service Officer (PPT)	Police/Patrol	Accepting Applications	
Call Taker (PPT) (3)	Police/Emergency Communication	Accepting Applications	
Registered Vet Tech	Police/Animal Welfare	Accepting Applications	
Fire Captain (2)	Fire/Suppression	Pending Promotional Process	
Parks Superintendent	Parks/Park Maintenance	Accepting Applications	
Recreation Leader I	Parks/Recreation	Accepting Applications	
Total:18			

POSITIONS CURRENTLY ON HOLD			
Position	**Department/Division**	**Date of Vacancy**	**Notes**
General Fund:			
Assistant City Attorney I	Legal	05/01/12	Pending approval
Mechanic I	Public Works/Fleet	09/01/15	Pending request
Communications Officer	Police/Emergency Communication	08/27/15	Pending request
Police Officer (4)	Police/Patrol	Unfilled from 53rd Academy	Pending next academy
Total:7			
Enterprise Fund:			
Maintenance Worker I	Utilities/Water Line Maintenance	08/31/15	Pending request
Total:1			

POSITIONS RECENTLY FILLED		
Position	**Department/Division**	**Action**
Meter Reader	Finance/Utilities	DOH 8/10/15
Maintenance Worker I	Parks/Park Maintenance	DOH 8/17/15
Fleet Welder	Public Works/Fleet	Promoted 8/18/15
Public Safety Information Officer	Police/Administration	DOH 8/31/15
Sanitation Worker II	Utilities/Sanitation Yard Waste	Promoted 8/10/15
Communications Officer	Police/Emergency Communication	DOH 9/11/15
Sanitation Worker II	Utilities/Sanitation Commercial	Promoted 8/25/15
Systems Support Technician (2)	Information Technology	DOH 9/14/15
Sanitation Worker I	Utilities/Yard Waste	DOH 8/31/15
Water Lab Tech (PPT)	Utilities/Water Treatment	DOH 9/8/15
Maintenance Worker I	Public Works/Traffic	Transfer 9/14/15
Maintenance Worker I	Utilties/Water Line Maintenance	DOH 9/14/15
Property Custody Officer	Police/Investigations	DOH 9/16/15