

FINANCE COMMITTEE MINUTES  
December 19, 2012

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 19th day of December, 2012, 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 Castleberry, Gallagher, Griffith, Kovach, and Chair Rosenthal

ABSENT:                   None

OTHERS PRESENT:       Linda Lockett, Council Member  
Steve Lewis, City Manager  
Anthony Francisco, Finance Director  
Ken Komiske, Utilities Director  
Steve Hardeman, WRF Superintendent  
Michael Graves, Garver Engineering  
Gala Hicks, Human Resources Director  
Kathryn Walker, Assistant City Attorney II  
Jud Foster, Parks & Recreation Director  
Erinn Gavaghan, Norman Arts Council  
Stephen Koranda, NCVB Executive Director  
Susan Greer, Norman Arts Council  
Norman H. Hammon, Jazz In June  
Douglas Elder, Firehouse Art Center  
Mark Campbell, Citizen  
Joy Hampton, Norman Transcript

CONTINUED DISCUSSION REGARDING A POTENTIAL INCREASE IN THE  
TRANSIENT GUEST ROOM TAX

- Committee discussed whether to raise the hotel/motel room tax rate by 1%, 1.5% or 2%.
- Disadvantage to City hoteliers if rate is higher than Oklahoma City or Tulsa and surrounding communities.
- Koranda stated that an increase above the Oklahoma City and Tulsa rate will hurt the chances of hosting large groups
- Kathryn Walker reviewed draft ballot and told the group once the Council decides on the rate increase to ask for, it can be plugged into the ballot.
- If ballot should fail, how soon can it be presented again to the citizens for a vote?
- Consensus of the Committee to move forward with an election in April asking for a 1% increase.

Item(s) submitted for the record:

1. Financial reports prepared by the Finance Department: Room Tax Revenue – Actual Collections; Distribution of Room Tax Revenue – FYE 13 Budget; Updated Revenue Estimate – Apportionment Of; Tax Rate Information – Benchmark Cities; and Sales & Room Tax Rate Comparison

### DISCUSSION REGARDING THE PHASE II CAPITAL IMPROVEMENTS FOR THE SOUTHSIDE WATER RECLAMATION TREATMENT PLANT

Ken Komiske made presentation.

- Reviewed previous presentation.
- Dialogue with DEQ for the past 12 to 13 months.
- Engineering Report/Conceptual Design for plant was submitted to DEQ in November 2011.
- Do not have approval of engineering report at this time.
- City's current average daily flow is 11 mgd which is 92% of capacity.
- New requirements include disinfection and dissolved oxygen.
- DEQ insists that disinfection process must be addressed.
- Current plans call for building a facility that will be able to handle 17 mgd which represents full build-out of South Basin according to 2025 Land Use Plan.
- This is a \$50 million to \$60 million project.
- Timeline for DEQ compliance was reviewed and discussed.
- Phase 2 design would have to be completed in order to be prepared to construct Phase 3 which will allow the City to produce "drinking water" quality water.
- Francisco – plan is to build facility with 17 mgd capacity even though only allowed to discharge 16 mgd, correct?
- Discussed General Obligation Bonds and Revenue Bonds and which will be better for City to pursue. Depends on interest rate and when Council decides to proceed with election.
- Financial experts predicting possible "spike" in interest rates in two to three years.
- Discussed elections calendar and when would be best for City of Norman.
- Consensus to have an election in November of this year for the Phase II Improvements on the Southside Wastewater Treatment Plant.

Items submitted for the record:

1. Norman Water Reclamation Treatment Plant: Phase 2 Improvements prepared by the Utilities Department

### SUBMISSION OF THE REVENUE/EXPENDITURE REPORT AS OF NOVEMBER 31, 2012

- Excise Tax collections up – earmarked for sewer system expansion projects.
- 92 General Obligation Bond secured by dedicated capital sales tax has been paid off - earmarked for Capital Projects now.

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 November 30, 2012.

SUBMISSION OF THE REPORT ON OPEN POSITIONS

No discussion.

Items submitted for the record:

1. City of Norman/Human Resources Department Recruitment and Selection Report dated December 12, 2012.

MISCELLANEOUS DISCUSSION

No discussion.

The meeting was adjourned.

ATTEST:

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City Clerk

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Mayor