

FINANCE COMMITTEE MINUTES
October 17, 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 17th day of October, 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
Suzanne Krohmer, Budget Manager
Jeff Bryant, City Attorney
Jud Foster, Parks & Rec Director
Ken Komiske, Utilities Director
Shawn O'Leary, Public Works Director
Linda Price, Revitalization Manager
James Briggs, Park Planner
Courtney Bucklin, Legal Intern
Stephen Koranda, NCVB Executive Director
Joy Hampton, The Norman Transcript

CONTINUED DISCUSSION REGARDING PARKS MAINTENANCE AND PROJECTS IDENTIFIED IN THE PARKS MASTER PLAN

Jud Foster made presentation. Discussed lists of projects identified in Parks Master Plan and park sites identified in Charter Amendment.

Item(s) submitted for the record:

1. Memo to Steve Lewis from Jud Foster dated October 8, 2012, Project Lists Requested by Finance Committee

CONTINUED DISCUSSION REGARDING THE CAPITAL FUND BALANCE DUE TO THE APPROVAL OF THE GENERAL OBLIGATION BOND ELECTION FOR TRANSPORTATION AND STORM WATER PROJECTS

Presentation by Linda Price.

- Funds available from savings of approval of bond projects in election held August 28, 2012
- Approximately \$1.9 million in bond projects savings minus expected cost overruns of FYE 13 projects leaves approximately \$1.3 million available.

- Proposed new projects: Indian Hills Road Overpass Deck; Rock Creek (Grandview just West of 36th Ave NW – Gap Paving, Roadway Widening & Reconstruction – Design Only); 36th Ave NW & Havenbrook Dr – New Traffic Signals & Intersection Modification – Design Only; 24th Ave NW & Tee Drive – New Traffic Signal and Intersection Widening – Design Only; 12th Ave NE and High Meadows Dr – Traffic Signal Modification & Intersection Widening – Design Only; N.E. Lion's Park, Tull's and Eastwood Park are the priority parks projects. Some development fees will be used.
- Recoupment District might be possible, have to do design first.
- ACOG Assessing Points – do they take into consideration school/traffic safety projects?
- Mayor – Rock Creek needs to have a recoupment district.
- Design costs are reimbursable/recoupable from ACOG. Construction paid 100%.
- Three parks minus some parts of each of the projects.
- Highest priority for Buildings and Grounds projects.
- Council Chamber audio visual replacement approximately \$350,000 – budgeted in FYE 14 but would like to move timeframe forward.
- HVAC replacements at six sites: Fire Admin, Fire Station 1, Fire Station 7, Reaves Center, Senior Center, and Firehouse Art Center will cost approximately \$80,000.
- Kovach – wants to look at list of unfunded needs for Buildings and Grounds before a decision is made.
- There is flexibility and options that can be taken when considering list of projects.
- Castleberry – future year capital balance deficits – can we use this money to go toward savings?
- Francisco – yes, percent of reserves – target is 8%. Need to have some funds available for emergency projects.
- Castleberry - wants to save.
- Kovach – wants to look at unfunded maintenance projects.
- Mayor – thinks we should/could replace fire station HVAC's with PSST funds.
- Come back and look at projects after cost overruns have been taken care of.
- Mayor – Plan for park projects in winter to be ready for spring, put off transportation design project and put towards parks for seasonal considerations.
- Griffith – wants to go forward with park projects and wants High Meadows done first.
- Mayor – Put off Tee Drive for now.
- Kovach – wants to move forward with audio visual replacement for Council Chamber and Study Session room.
- Work in phases, revisit in February before Council commits funds and look at Clerk's building maintenance list and prioritize.
- Do HVAC replacement at Firehouse Art Center, Sr. Citizens Center, and Reaves Park and try to use PSST funds for the fire stations and admin building – defer these.
- Fully reserved in FYE 13 for projects, but not in out years.
- Castleberry – wants to put money back for savings. If Council does not spend these funds, they are essentially savings.
- Approximately \$150,000 shortage in funds due to sales tax collections not meeting projections.
- Priority #1 is the 12th Ave and High Meadows project and #2 is 36th & Havenbrook

Item(s) submitted for the record:

1. Finance Committee Information 10-17-2012
2. Map highlighting Tull's, Eastwood and N.E. Lion's Parks
3. Aerial Map showing UNP Project Update

FINANCING FOR GRAY STREET PARKING LOT PARKING PAYMENT SYSTEM

Jeff Bryant made presentation.

- Republic Bank & Trust to upfront interest-free money for installation and use revenues from parking meters to repay loan.
- Initially, the Downtowner's Association will take out loan in the organization's name and give to City.
- Bit City needs to go through Trust Authority to receive revenue. An agenda item authorizing the Norman Municipal Authority to receive funds from the Downtowner's Association will be drafted for the October 23rd Council meeting.
- City will have the loan funds and will be paid back with parking meter revenues – projected 2 ½ year payback.
- Bond Counsel suggested 10 year term bond.
- Jeff Bryant recommends using any of the three trusts: (NEDA) Norman Economic Development Authority (not completely set up); (NMA) Norman Municipal Authority (already exists); or (NUA) Norman Utilities Authority (already exists).
- Council preference is to use Norman Municipal Authority.
- "Pay by the space" is a "sensored-space" with debit/credit system for \$.25 / hour rate.

Items submitted for the record:

1. Memo from Jeff Harley Bryant and Leah Messner, Legal Department, dated October 11, 2012, Financing / Funding of Downtown Parking Lot Meter Project

DISCUSSION REGARDING PROPOSED CONTRACTS WITH THE OKLAHOMA TAX COMMISSION AND REVENUE DISCOVERY SYSTEMS FOR THE COLLECTION OF DELINQUENT SALES TAX

Anthony Francisco made presentation.

- Questions were raised about proposed vendor.
- We want to collect all delinquent sales tax due to City.
 - Attempt to collect internally.
 - Contract with 3rd party to collect.
- Audits – can collect back 3 years if retail submitted to incorrect jurisdiction
- Gallagher – wants to try to collect internally first.
- In 2011 Legislature passed bill that allows municipalities to collect taxes.
- Sales tax collected at point of delivery.
- Delinquent taxes go to Oklahoma Tax Commission and they apportion it out to counties, cities, school districts, etc.

- Audit hours they spend
- Kovach – audit hours spent by City staff double-checking results from OTC as to which business(s) may owe delinquent taxes.
- Kovach – Phase in with just OTC contract and see how it goes.
- Griffith – agrees with contracting for both with 1 year contract only.
- Finance Committee wants staff to monitor and give reports to the Committee.
 - Costs of in-house services.
 - How much did City pay?
 - How much did we recoup in delinquent sales tax?

Items submitted for the record:

1. Item from Council Agenda dated September 25, 2012, Contract No. K-1213-77: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND THE OKLAHOMA TAX COMMISSION TO ENGAGE IN SALES AND USE TAX COMPLIANCE ACTIVITIES
2. Letter to Anthony Francisco from Portfolio Recovery Associates dated October 5, 2012

DISCUSSION REGARDING ROOM TAX ADJUSTMENTS

- Make this item the number 1 topic for discussion on next month's agenda.
- Municipal election next spring.
- Invite hotel industry, Arts Council, NCVB, and Parks Board to next meeting.
- Change tax percentage charged or change proportion of allocation with existing entities.
- Kovach – Any changes in the future with Oklahoma City?
- Tourism District – want to know more about potential uses.
- "Wayfinding" project update

Items submitted for the record:

1. Room Tax Revenue Reports prepared Finance Department

SUBMISSION OF THE REVENUE/EXPENDITURE REPORT AS OF SEPTEMBER 30, 2012

- Sales tax holiday receipts plus 0.7% in October (before sales tax holiday) - 2.1% with correction.
- Sales tax is below projections in General Fund. Capital Tax – debt apportionment from '92 bonds – spending less on debt service.

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 September 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 October 8, 2012.

MISCELLANEOUS DISCUSSION

No discussion.

The meeting adjourned at 7:00 p.m.

ATTEST:

City Clerk

Mayor