

FINANCE COMMITTEE MINUTES
September 18, 2013

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 18th day of September, 2013, 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, and Chair Kovach

ABSENT: None

OTHERS PRESENT: Cindy Rosenthal, Mayor
Steve Lewis, City Manager
Anthony Francisco, Finance Director
Suzanne Krohmer, Budget Manager
Blake Chism, Dell Services
Kari Madden, IT Division
Rob Gruver, IT Division
Judson Leroi, IT Division
Robert Clouston, IT Division
Vanessa Fryar, IT Division
Joyce Green, GIS Services Manager
Jeff Bryant, City Attorney
Kathryn Walker, Assistant City Attorney, II
Shawn O’Leary, Public Works Director
Scott Sturtz, City Engineer
Richard Schlechter, Storm Water Engineer
Mark Daniels Utilities Engineer
Roger Gallagher, Citizen
Mark Campbell, Citizen
Joy Hampton, Transcript Reporter

PRESENTATION BY BLAKE CHISM FROM DELL SERVICES REGARDING THE IT DIVISION ASSESSMENT

Blake Chism made presentation of the report to the committee.

- Analysis of current operation / collection of data and then gave recommendations for operations.
- Dell’s measurement for operations –
 - “Maturity Ratings” – Industry Average Rating = 2.54
 - “Improving Rating – Norman results = 1.71 rating = “Complex rating”
 - Dell recommendation rating = 3.5 – “Consistent rating”
 - End user recommendations: Keep computers updated, wireless available in all City buildings, cross-train employees, have a strategic plan, etc.
 - IT Division is extremely important to most departments.

- “Virtual desktop” becoming more important – will need to increase number of servers and maintenance personnel.
- Recommended Approach and Initiatives
 - 1. Develop 3-year Technology Strategic Plan
 - 2. Implement IT governance practices
 - 3. Increase internal and external communications
 - 4. Establish an enterprise-class service desk
 - 5. Develop a services catalog
 - 6. Enhance the end-user computing environment
 - 7. Become process-driven – standardize all processes and procedures
 - 8. Formalize employee care and training
 - 9. Formalize and test the Disaster Recovery Plan
 - 10. Increase the use of tools and automation
 - 11. Implement a services management framework
- Kovach – cost savings – City has very lean staff.
 - Direct staff to start implementing recommendations – Disaster Recovery Plan important.
 - Wants numbers of 4-5 year replacement cycle, estimate of cost savings per man-hour, which funds will be affected.
- Castleberry – what is cost of wireless?
- Chism – difficult to cost out, and security needs with wireless access is one of the reasons.
- Kovach – IT could plan with other departments on a monthly basis to work on special projects they don’t ordinarily have time for.
- Lewis – To implement plan takes approximately 2 years
 - Assign activities and give due dates for implementation of activities.
 - 1st step – put together an action plan that assigns tasks to employees.
- Griffin – what is a realistic goal of improvement?
- Lewis – We should be at industry average in a couple of years.
- Castleberry – all the Police Departments improvements with PSST funds – are the ratings inclusive of this improvement?
- Mayor – support functions are important.
- Castleberry – are municipalities moving toward “cloud”?
- Chism – not very popular in public agencies yet.

Item(s) submitted for the record:

1. Handout prepared by Dell Services, IT Simplification Assessment Executive Report.

DISCUSSION REGARDING CREATION OF A STORMWATER UTILITY.

Presentation by Shawn O’Leary, Public Works Director and Scott Sturtz, City Engineer.

- Reviewed SWMP Timeline from the scoping that began in 2006 through the present.
- SWMP Watershed Problems and Opportunities
 - four areas of concentration – water quality/water supply protection; flooding; erosion/stream stability; and recreation

- SWMP Key Issues –
 - Stream planning corridors and additional buffer strips
 - Structural and nonstructural; storm water quality controls
 - Acquisitions of drainage easement and rights-of-way
 - Enhanced maintenance of creeks and detention facilities
 - Dam safety
 - not having public drainage easement in Norman is an issue
- SWMP Action Plan
 - 31 action plans
 - No. 1 action item priority – stream planning corridor regulations
 - Nine categories of work including water quality, financing, data management, CIP/easements/maintenance, general, hydrology/hydraulics, dams, criteria manuals, and Greenway Master Plan
 - Timeline – 6 months to 20 years
 - Current status as of August 2013
 - 11 action items completed
 - 12 action items currently under way
 - 8 action items pending Storm Water Utility
- SWMP – Action Plan – Funding
 - Establish long-range funding sources for storm water management such as general obligation bonding and the establishment of a storm water utility.
 - Begin preliminary discussions pertaining to billing and administrative logistics.
 - Develop and carry out a strategic work plan for citizen votes on the storm water utility and the general obligation bond program.
 - It is recommended that public education is started at least a year before any fee program or change is put into place.
- Western Kentucky University Storm Water Utility Survey of 2012 conducted nationwide surveyed 1,314 SWUs in 39 states.
- Equivalent Residential Unit (ERU) – typically the average impervious area on a single family residential plot most commonly used for fee basis.
- Average single family ERU in Norman is 3,600 square feet which equates to average monthly rate of \$7.29 in Option 1, \$6.82 in Option 2, and \$6.74 in Option 3.
- Storm Water Utility Fee Survey of rate comparisons with 24 Oklahoma cities.
- Storm Water Master Plan – use of GO Bonds versus Revenue Bonds to finance projects.
- Watershed Projects total cost estimated at \$82,530,490.
- Included in SWMP Bond Program 2013-2018 – for total drainage solution is \$17,431,303.
- Remaining SWMP drainage solutions cost is estimated at \$65,099,187.
- Based on 2009 information, storm water utility fees are estimated to be between \$6 - \$7 average rate.
- Rate will increase over time.
- ERU – recommended plan or flat or tiered rates
- What about exemptions?
- Tentative election date on storm water utility is August 26, 2014 for effective storm water utility to begin January 2015
- Preferred fee structure? And other questions will need Council direction.

- Mayor wants to move forward with utility vote
- Kovach wants tiering, easier to understand with categories – more comfortable with \$5 - \$6 range, with something less than \$7
- Mayor wants more information on tiered system – small, medium, large. How many residents would fit in each category, projected revenue and wants to see exemptions in the 4 cities at next meeting. Wants to have what is funded from General Fund for storm water activities

Items submitted for the record:

1. Storm Water Master Plan – Storm Water Utility Election, prepared by Public Works Department
2. SWMP Action Plan (by milestone), prepared by Public Works Department
3. Stormwater Utility Survey, prepared by City of Stillwater
4. Western Kentucky University Stormwater Survey 2012

REVIEW OF NORMAN UTILITIES AUTHORITY MULTI-YEAR REVENUE PRODUCING CONTRACTS.

Will discuss at October meeting.

Items submitted for the record:

1. Memo to City Council from Brenda Hall, City Clerk, dated September 12, 2013, Finance Committee – NUA Revenue Producing Contracts

SUBMISSION OF THE REVENUE/EXPENDITURE REPORTS FOR JULY AND AUGUST 2013, AND FISCAL YEAR 2012-2013 ENDING FINANCIAL POSITION.

No discussion on Revenue/Expenditure report.

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 August 31, 2013.

SUBMISSION OF THE REPORT ON OPEN POSITIONS

No discussion on Open Positions Report.

Items submitted for the record:

1. City of Norman/Human Resources Department Recruitment and Selection Report dated September 11, 2013

MISCELLANEOUS DISCUSSION

Castleberry and Heiple will work with Finance Director to simplify financial numbers. If we are way off projections, want to be more accurate with budgeting. Restoring funds that were cut in current budget will be discussed in October meeting. Ordinance to limit expenditure – go to Council on contracts and budgeting categories.

The meeting adjourned at 7:12 pm.

ATTEST:

City Clerk

Mayor