

FINANCE COMMITTEE MINUTES
October 13, 2016

The City Council Finance Committee of the City of Norman, Cleveland County, State of Oklahoma, met at 5:00 p.m. in the Municipal Building Multi-Purpose Room on the 13th day of October, 2016, 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 Heiple, Chappel, Castleberry, and Mayor Miller

ABSENT: none

OTHERS PRESENT: Aleisha Karjala, City Council Member
Steve Lewis, City Manager
Anthony Francisco, Finance Director
Suzanne Krohmer, Budget Manager
Jeff Bryant, City Attorney
Gala Hicks, Director of Human Resources
Keith Humphrey, Chief of Police
Joy Hampton, Norman Transcript
Dr. Kevin Kimper, citizen
Bill Scanlon, Public Safety Sales Tax Oversight Committee Member
Dr. Steven Ellis, citizen
Mary Francis, citizen
Lea Greenleaf, PSST Oversight Committee Member
Rebecca Bean, citizen
Amanda Garnand, citizen
Michelle Stewart, citizen

Chair Heiple called the meeting to order.

Item 1, being

DISCUSSION REGARDING THE USE OF FEDERAL SEIZURE FUNDS FOR THE PURCHASE OF AN ARMORED ALL-PURPOSE RESCUE VEHICLE.

Chair Heiple stated that the focus today would be entirely on the financing for this vehicle. Chief Humphrey stated that the topic of the Police Department purchasing an armored vehicle has been brought up for a number of years since around 2007. About 2 or 3 years ago the topic was approached again because the Police Department wants to provide the best possible safety for Norman citizens. Humphrey stated that there have been numerous incidents in the City where the officers and the citizens have been put in the line of fire. Neighborhoods have been evacuated and we have had flooding incidents where this type of vehicle could have been used to rescue citizens. We are looking at a vehicle that can be a resource that provides us an opportunity to ensure that we can respond to any situation that arises in the city of Norman

concerning public safety. We are asking the City Council to allow us to use the Federal Seizure funds to purchase this vehicle.

Chair Heiple asked Chief Humphrey to elaborate on the fact that we would exclusively be using the Federal Seizure funds. Chief Humphrey stated that several departments use the General Fund. He stated that the Federal Seizure funds can only be used to purchase police equipment and nothing else. No other department in the City could use these funds. We have used these funds for equipment and training for years. This is not a new method of using these funds. These are funds that are from 100% conviction rate, so we feel comfortable that this is the right way to use these funds. We do have an officer assigned to a federal task force. These funds have been awarded to our city based on convictions and have accumulated for a number of years. We have never been questioned on how we are using these funds so we feel we are following the law in using them this way. Chair Heiple asked if we would be spending any General, PSST, or Capital Fund money. Chief Humphrey stated that we would not be. We have strategically thought out and researched this project from the funding to the way the vehicle would be used and we would explain the usage to the community. Chair Heiple asked Anthony Francisco if the money that was set aside for this vehicle was currently earning any interest. Francisco stated that it was earning approximately 0.4% interest. Chair Heiple then asked Francisco how long the money has been in the account earning interest. Francisco stated that it has been a number of years but that we do spend some of the money on equipment and training.

Member Castleberry asked if the Police Department performed rescues and if the funds could be used to purchase a rescue vehicle. Chief Humphrey stated that this type of vehicle has been used in many rescues and can be used to clear debris. It is a multi-purpose vehicle and he does not want people to focus on just the police use of it. San Marcos used this type of vehicle for high water rescues. Member Castleberry asked how much is actually in the fund. Francisco stated there is about \$350,000. Member Castleberry asked what the annual operating and maintenance charges would be. Chief Humphrey stated the service on the vehicle could be outsourced; not done in our fleet. That means that the money for service and repairs could come out of the Seizure funds and not the General Fund. This vehicle has a life expectancy of 20-30 years and is on the same chassis as an ambulance. Member Castleberry asked if there was going to be any future obligations from the General Fund for the vehicle. Chief Humphrey stated there were none. Member Castleberry asked if there was any special training for the vehicle. Chief Humphrey stated that the training is all included in the purchase price. 2-3 people will travel to be trained for 1-2 days. The company will not allow you to use the vehicle without proper training.

Member Castleberry asked what other capital needs could be purchased with these funds if we decided not to purchase the vehicle. Chief Humphrey stated that there are always needs for equipment, drug court, etc. Member Castleberry stated that he sees some other things that could use this funding and see immediate results. He would like to get the most bang for his buck. Chief Humphrey stated that they already do all of those things to an adequate level and that this is a long overdue project focused on safety. There should never be a question of whether we can address the safety of our officers and our citizens. He believes we live in a more dangerous society and we never know when someone could carry out an act of violence. Member Castleberry asked why we couldn't just use the National Guard armored vehicles. Chief Humphrey stated that the Governor would have to authorize the use of those vehicles by

declaring a disaster because those are military vehicles. The Governor would not authorize the use of those vehicles for school shootings and other situations. We would not be able to readily use them.

Mayor Miller stated that she understood that the City of Moore has a similar vehicle. Chief Humphrey stated that Moore has a Mine Resistant Ambush Protected Vehicle (MRAP) which is a military vehicle. They purchased this vehicle through army surplus. We did have a chance to buy this vehicle but decided against it at the time. Mayor Miller asked what the difference in a military vehicle and this vehicle is. Chief Humphrey stated that a military vehicle is both defensive and offensive and runs on a track system. This vehicle is on a chassis and is purely defensive. Mayor Miller asked if anyone from the County Sherriff or OU Police Department has contacted the Chief about the purchase of this vehicle. Chief Humphrey stated that both have contacted him and that they have both been very positive about the City acquiring this vehicle. Mayor Miller stated that Councilmember Clark has expressed concerns over having this type of vehicle to deal with situations that arise with students at OU.

Chair Heiple stated that he has spoken with some Norman Public Schools staff and administrators who say they have the same concerns. They believe that it is not a military vehicle since it is not on a track, and to not have an armored vehicle if a situation arises would be a mistake. The vehicle is precautionary. Heiple stated that if Seizure money is available and we do not have to use the General, PSST, or Capital fund for purchase, we should have some more public discussion and consider this vehicle for the community.

Member Castleberry asked if this money could be used to purchase some more motorcycles, Segways, or this type of equipment. Drug court and youth services have needs and he has never known these types of programs to be properly funded. Chief Humphrey stated that we already use seizure funds for things like the Juvenile Intervention Center and other items that cannot be purchased out of the General Fund. We try to utilize these funds for public safety equipment and services. Member Castleberry wants to spend the funds, he is just concerned with getting the most bang for our buck.

Chief Humphrey stated that he has been here for 5 years now and believes that he has made really good decisions for the City of Norman and the Police Department. He would not bring this idea forward if he did not feel like it was a priority. It is hard to watch officers go into situations unprotected. We have just been lucky that our tactical situations have not escalated. This vehicle is a resource that we need because we have had citizens pinned down and officers in the line of fire. Chair Heiple stated that he was originally not a fan of buying this vehicle due to the "militarization of the police". When he heard the story of the police officer who was shot at during the Nextep incident he changed his mind. He does not want to be that Council Member to deny this protection to our officers. We need to have community discussions about proactive policing and the Bearcat so that we can fully engage our citizens. Mayor Miller stated that one of the jobs of the Finance Committee was to decide the next step and she believes that the next step is education on this issue. She also said that she spoke with Councilmember Clark who stated that she would not recommend doing anything without doing more outreach and education. Member Chappel agrees with Mayor Miller. Councilmember Karjala had nothing to say on the matter at this time. Member Castleberry stated that if we do get the vehicle, the

proper way to fund it is through the Federal Seizure Fund. Both Mayor Miller and Member Chappel agreed.

Chair Heiple then stated that the floor would be open for 15 minutes for public comment.

Dr. Kevin Kimper stated that he has mixed feelings about the subject. On one hand he understands the necessity of protecting the police officers; on the other hand he is concerned about citizen oversight for the usage policy on such a vehicle. This type of vehicle is used not only to intimidate, but also to gather surveillance on citizens. If we choose to do this, let there be the highest amount of transparency and citizen oversight.

Bill Scanlon, who is a member of the Public Safety Sales Tax Oversight Committee, stated that he is in favor of purchasing the vehicle. He said the Nextep situation convinced him, but that he has done research on the subject as well. On average there are about 7 hostage situations a year that our Police Department has to deal with. He shares the concerns about the intimidating appearance of such a vehicle, but it is about how it is used. There has to be training associated with the use of this type of vehicle. His trust is with Chief Humphrey.

Dr. Steven Ellis stated the Department of Justice says there is a concern with equipment militarization. What he is interested in is hearing some discussion on how this vehicle would influence our community policing as well as a cost benefit analysis. How would things have gone better and differently at the Nextep situation if we had this vehicle?

Mary Francis stated that research concludes that drug court and that direction is the best bang for your public safety buck. We would be able to use these funds for this instead of purchasing the armored vehicle. This vehicle comes from the military and looks like a military vehicle. What is the rationale for not using these funds for drug court and other uses?

Lea Greenleaf, who is a member of the Public Safety Sales Tax Oversight Committee, stated that he spent 14 years as a paramedic. During this time, he was involved in several situations in which they had to get patients out of compromising situations and where the police had to assist them. An ambulance is not bulletproof. Having an armored vehicle makes good sense for situations like this. This vehicle is not from the military and it is cost effective for the city.

Rebecca Bean stated that the safe use of this type of vehicle depends on one man-Chief Humphrey. While we do trust him, he will not always be our Chief and this vehicle has a 20-30 year useful life. We have to ask ourselves if this is what is needed most. In the manufacturer's information related to this vehicle, they have themselves stated that this type of vehicle is for military and law enforcement use, and has offensive capabilities. She believes we can invest in our people and not attack our citizens.

Amanda Garnand stated that she is the spouse of one of the Lieutenants on the Special Weapons and Assault Team here in Norman. She believes that their safety should be the number one priority. This should be above all others. We are constitutionally protected against this vehicle being used against us.

Michelle Stewart stated that she is a 10 year member of the military and she disagrees with Chief Humphrey; this type of vehicle is a military-style vehicle. There are other things we can do with this money like upgrade the armor of already existing vehicles that the Police Department owns instead of buying a big scary-looking military-style vehicle. We don't live in Compton or New York City and there are other ways to protect our citizens and police officers.

Chair Heiple closed the public comment period at this point.

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Item 2, being

DISCUSSION REGARDING THE FYE 2018 BUDGET CALENDAR

Anthony Francisco stated that we have now entered the FYE 2017/2018 Budget process and it is proposed to proceed as it has in the past.

Suzanne Krohmer explained the budget process to the Committee.

Member Castleberry stated that he would like to see more details about the budget. He would like to see the budget for each department that is presented to the City Manager.

Steve Lewis asked what more Council would like to see. Anthony provides a very detailed budget. He stated that they could schedule some one-on-one meetings with Council Members for that type of information.

Steve Lewis stated that it is a balancing act on how much detail to provide to Council and citizens. We want to have a budget that citizens want to read through but also one that isn't overwhelming. While very detailed information is provided in the budget documents, public presentations focus on summarized information.

Chair Heiple stated that sales tax revenue is down and we do have some serious considerations to make with the budget.

Items submitted for the record:

1. Budget Calendar Fiscal Year ending 2018 and City Comparison for Sales Tax collections-July 2016

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Item 3, being

DISCUSSION OF THE REVENUE/EXPENDITURE REPORTS

In response to Member Castleberry's request Finance staff prepared an inter-city comparison of sales tax growth rates, by month, for the last two fiscal years. Anthony Francisco stated that we are in the middle compared to most of the surrounding cities. Things are not better or worse in Norman as far as sales tax revenue goes. It is a poor economy regionally right now. Maybe it is because people are shopping online or people are reigning in their shopping habits due to worry about the economy. Will it get better or worse? We don't know the answer to that. We are in the middle of a downturn and we expect to maybe start to climb out of this in the next few months.

Member Castleberry asked if Francisco could add a comparison to the state of Oklahoma. We would like to find out if this is a state issue or a local issue. Francisco stated that he could add the data for the next meeting.

Mayor Miller asked if the construction on Lindsey Street and Ed Noble Parkway was to blame for the impact in the sales tax revenue. Francisco stated that he doesn't think that impacted the numbers much. Most Norman residents adjust spending patterns within the city when there is construction.

Francisco stated that there were no real highlights in the monthly Revenue/Expenditure Reports. There were some concerns with the franchise fees previously but there was a turnaround in August and September because of the hot spell. We are still 2% down from our projections in the General Fund and we will continue to monitor that.

Items submitted for the record:

1. Summary of Major Funds Revenue Sources vs. Budget, FYE 2017-as of September 30, 2016; Monthly Financial Report, Appropriations from Fund Balance FYE 2017; City Comparison for Sales Tax Collections; and General Fund Transfers over \$50,000 between Expenditure Categories-FYE 17 September 2016

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Item 4, being:

SUBMISSION OF THE REPORT OF OPEN POSITIONS

Gala Hicks stated that there are not nearly as many vacancies as in the past. We only have 12 open positions right now.

Items submitted for the record:

1. Position Vacancy Report dated October 4, 2016

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Item 5, being:

MISCELLANIOUS COMMENTS

Member Castleberry stated that he was disappointed in the agenda. He does not believe that the armored vehicle should be priority right now. He thinks the storm water and the budget should be our priorities right now.

Mayor Miller stated that she is sending out to the Council educational information about the storm water issue and when we might like to meet to discuss it after the holidays.

Chair Heiple stated that Member Castleberry is correct that the storm water utility and budget are extremely important. The purchase of the armored vehicle does not impact the General Fund. We need to have a lot of citizen involvement in future meetings.

Member Castleberry stated that he was disappointed in cutting off the public comments.

The meeting adjourned at 6:12 p.m.

ATTEST:

City Clerk

Mayor