

FINANCE COMMITTEE MINUTES
May 16, 2019

The City Council Finance Committee of the City of Norman, Cleveland County, State of Oklahoma, met at 4:00 pm in the Municipal Building Executive Conference Room on the 16th day of May, 2019, 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: Chair Castleberry, Members Carter, Bierman, and Wilson

ABSENT: none

OTHERS PRESENT: Mayor Lynne Miller
Stephen Tyler Holman, City Council Member
Alexandra Scott, City Council Member
Mary Rupp, Interim City Manager
Anthony Francisco, Director of Finance
Gala Hicks, Director of Human Resources
Kim Coffman, Budget Manager
Kathryn Walker, Interim City Attorney
Terry Floyd, Development Coordinator
Shawn O'Leary, Director of Public Works
Ken Komiske, Director of Utilities
Travis King, Fire Chief
Jud Foster, Director of Parks and Recreation
Tim Powers, Director of Information Technology
Jane Hudson, Interim Director of Planning
Brenda Hall, City Clerk
Ronda Guerrero, Municipal Court Clerk
Wayne Stenis, Planner II
Annahlyse Meyer, Chief Communications Officer
Scott Sturtz, City Engineer

Item 1, being:

FOLLOW UP AND DISCUSSION REGARDING THE CITY OF NORMAN FYE 2020 BUDGET

Anthony Francisco stated that Council wanted some proposals on how we might close the \$1.3 million gap between expenditures and revenues in the proposed General Fund budget. They also wanted to add about \$500,000 to the budget to cover the cost of the City taking over transit from OU. This gave us a total of \$1.8 million in funds for staff to make proposals on how to find. We have concentrated on three areas for this discussion. The first was cutting some items that were proposed to be added to the budget this year, such as the Internal Auditor position. All of these proposed cuts would equal about \$400,000. The next group of costs are projects that have

salary and benefits included in the budget that should not have been. All of these taken together are about \$1 million. Third, if we continue as if we will not spend the 1% of the Emergency Fund, then this will make up the net difference. Francisco stated that he thinks Council could consider the three areas in order to pass the budget for this fiscal year. After the budget has passed, Council could focus on some more in-depth changes for the long term that would require more analysis.

Council Member Castleberry asked if the \$500,000 for public transit was still a number that the Public Works Department was comfortable with in order to make the conversion. Shawn O'Leary stated that this number together with what was already budgeted (\$635,000) should allow the City to do everything needed with the takeover from OU.

Council Member Carter asked O'Leary if he foresees the change in leadership at OU as causing any problems with the CART takeover. Mr. O'Leary stated that both he and the Manager of CART asked the current administration about this, and they replied that everything was "all systems go". Council Member Carter asked if this could possibly have a net-negative effect on jobs in Norman. O'Leary stated that it might because we are hoping that EMBARK will run the service more efficiently than CART did, which would mean less people needed for jobs.

Council Member Castleberry stated that one of the other ideas that staff had kicked around was to charge a "tech fee" on utilities. This could bring in enough money to fund CART. It was pointed out that a fee on utility bills may require a vote of the people, and the potential revenue may accrue to the City's utilities.

Tim Powers stated that our current system is 25 years old, which we are currently working to replace. Once replaced, this will incur more maintenance charges, so this tech fee was thought of to help offset those maintenance charges.

Francisco stated that none of the suggestions on the memo are in a particular order. Mayor Miller asked if some of the suggestions in the memo would require additional personnel to implement the changes. Francisco stated that this is the type of question that we would need to explore and research in our analysis. Today, we would like to have direction about if we should just implement the first two or three suggestions and discuss the other changes in the future.

The Council unanimously agreed to direct staff to focus on the first two items proposed in the memo, and then to further discuss other options throughout the year.

Francisco stated that the other item that direction to staff was needed on was whether or not to increase, cut, or keep status quo the amount of money out of the Capital Projects Fund that will be going to stormwater projects.

The Council unanimously agreed to add the camera truck crew for the stormwater program out of the General Fund. This cost around \$125,000, which means they may have to find cuts of the same amount somewhere. Council Member Castleberry stated that this number can be found and made up from savings the City Manager can find throughout the fiscal year.

Item 2, being:

SUBMISSION OF THE REVENUE/EXPENDITURE REPORTS

Francisco stated that the sales tax report from May was negative, which was a surprise to him. He does not know the cause.

Items submitted for the record:

1. Summary of Major Fund Revenue Sources vs. Budget FYE 2019 as of April 30, 2019
2. Summary of Major Fund Expenditures vs. Budget FYE 2019 as of April 30, 2019
3. Appropriations from Fund Balance FY19
4. General Fund Transfers over \$50,000 between Expenditure Categories FYE 19 April 2019
5. Norman Forward Sales Tax Financial Reports

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Item 3, being:

SUBMISSION OF THE REPORT ON OPEN POSITIONS

Gala Hicks stated that we are down to about 16 Police Officers candidates after background checks.

Items submitted for the record:

1. City of Norman Position Vacancy Report dated 5/8/19

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Item 4, being:

MISCELLANEOUS COMMENTS

Council Member Holman stated that he would like to see a chart that does a comparison of the sales tax for the whole year.

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ATTEST:

City Clerk

Mayor