

**MINUTES OF THE SPECIAL
JOINT BUDGET STUDY SESSION
HELD BY THE MOORE CITY COUNCIL
THE MOORE PUBLIC WORKS AUTHORITY
AND MOORE RISK MANAGEMENT BOARD AND
THE MOORE ECONOMIC DEVELOPMENT AUTHORITY
MAY 23, 2016 – IMMEDIATELY FOLLOWING
ADJOURNMENT OF THE SPECIAL CITY COUNCIL MEETING**

The City Council of the City of Moore met at Moore City Hall in the upstairs conference room, 301 North Broadway, Moore, Oklahoma on May 23, 2016 with Mayor Glenn Lewis presiding.

*Adam Webb
Councilman, Ward I*

*Unfilled Position
Councilperson, Ward I*

*Melissa Hunt
Councilwoman, Ward II*

*Mark Hamm
Councilman, Ward II*

*Jason Blair
Councilman, Ward III*

*Terry Cavnar
Councilman, Ward III*

PRESENT: Blair, Hunt, Cavnar, Hamm, Lewis
ABSENT: Webb

STAFF MEMBERS PRESENT: City Manager, Steve Eddy; Assistant City Manager, Stan Drake; Assistant City Manager, Todd Jenson; City Attorney, Randy Brink; City Clerk/Finance Director, Brooks Mitchell; Community Development Director, Elizabeth Jones; Fire Chief, Gary Bird; Emergency Management Director, Gayland Kitch; Human Resources and Risk Management Director, Gary Benefield; Manager of Information Technology, David Thompson; Police Chief, Jerry Stillings; Public Works Director, Richard Sandefur; and Administrative Assistant, Katie Berhalter.

ALSO PRESENT: Councilwoman Appointee Danielle McKenzie

Agenda Item Number 2 being:

DISCUSS THE PROPOSED 2016-2017 FISCAL YEAR BUDGET.

Steve Eddy, City Manager, stated that he had the opportunity to review highlights of the proposed 2016-2017 fiscal year budget with each member of the City Council. All of the department heads were in attendance at the meeting to answer any questions. Mr. Eddy stated that the proposed budget was a status quo budget with sales tax revenue projected as being flat. Sales tax collections were overestimated for FY 2015-2016 and spending adjustments were necessary. Mr. Eddy advised that sales tax revenues are currently up 6% and, comparatively, the City is doing much better than other cities in the metro area; however, since revenues did not meet projections spending adjustments were necessary.

Mr. Eddy advised that sales tax and utility collections are the two main sources of revenue for the City. The Moore Public Works Authority ("MPWA") has been struggling for the past two or three years and the City Council was forced to raise utility rates to compensate. The MPWA is now in a much more sound financial position than last year with no anticipated utility rates increases proposed for this budget year. He noted that historically the MPWA transfers \$3 million to the City's operating fund. This amount was reduced the last two fiscal years to \$2.5 million.

Mr. Eddy stated that three sales tax rebate agreements were ongoing. The Target rebate agreement entered into with the Fritts family approximately five years ago will expire and beginning with the FY 2016-2017 budget all revenues will go into the General Fund. Mr. Eddy indicated that Deidre Ebrey, Economic Development Director, went to the ICSC Conference in Las Vegas to enter into discussions with a large retailer. Ms. Ebrey believed that the meeting went well. The retailer anticipates entering into the Oklahoma City metro area sometime in 2018-2019. Ms. Ebrey believes that the retailer will expect to enter into negotiations for a sales tax rebate. At this point there have been no commitments made on either side. Mr. Eddy indicated that two sales tax rebate agreements were remaining. One is with Dick's Sporting Goods in the amount of \$200,000 a year which expires December 2017 and the Warren Theatre rebate in the amount of \$200,000 a year to expire the end of 2019.

Mr. Eddy noted that there were no new positions proposed in the General Fund budget. There is one new position for Compliance Specialist in the CDBG-DR budget which will be funded using federal funds. Merit increases are proposed for eligible positions and a 1.67% COLA is proposed for non-uniformed employees. The police COLA is 1% and Fire is .97% to 2.97% depending on rank. Police and Fire contracts are one year behind Oklahoma City in negotiated pay increases.

Mr. Eddy stated that there was a 5% increase in premiums for Moore Risk Management. There was a 1.3% projected increase in health claims based on the actuarial report with no major increases in property insurance. A transfer from the MPWA to Moore Risk Management funds operational costs. He added that a similar transfer in the amount of \$173,000 from the City General Fund to the Moore Economic Development Authority funds operational costs for the Moore Economic Development Department.

General Obligation Street Bonds for the 34th Street and I-35 Bridge project were first issued in 2015. There is \$9,125,000 left to be issued during FY 2016-2017. Money must be submitted to ODOT in order to get the project let. Around \$3,151,757 is left in remaining funds from the first issuance of around \$5 million. Engineering costs and the purchase price of the salvage yard property have been paid for with remaining costs associated with the anticipated acquisition of other properties.

Mr. Eddy indicated that additional money was appropriated for Oklahoma City water purchases in the MPWA Fund. Mr. Eddy indicated that the R-Account is for repairs and maintenance in the water and sewer system. Three trucks and a backhoe are proposed and two sanitation route trucks. There are currently seven routes with around 800 homes per route. The \$3.32 million in OWRB debt service is the annual payment on the wastewater treatment plant.

Mr. Eddy indicated that there is a \$1.5 million fund balance in the City General Fund which is the balance of the 2014 \$5 million MEDA Revenue Note that was used to fund a number of street projects. There is \$1.58 in projected revenues from the new recreation center at The Station and around \$1.5 million in operating expenses. Mr. Eddy indicated there was approximately \$559,000 in expense for the new aquatic park at The Station and around \$397,000 in projected revenues. There is \$125,000 proposed in Information Systems expense for servers and a wireless upgrade. There is one truck and two mowers proposed for Parks Maintenance and two vehicles for Code Enforcement. Also budgeted is \$75,000 for street striping.

Mr. Eddy noted that there was more equipment requested than was able to be budgeted. It is possible that the issue can be revisited later in the new fiscal year.

The Cemetery Perpetual Care Fund is required under State law for the set aside 12.5% of revenues from cemetery lot sales for maintenance. The Special Revenue Fund contains earmarked revenues and grant funds. Mr. Eddy stated that the Debt Service Fund is where the City accounts for and pays principal and interest payments on the outstanding General Obligation Bond issues.

The Street and Public Safety Equipment Fund contains the ½ cent sales tax. Eighty percent goes toward residential street repair and twenty percent toward public safety equipment. Projected sales tax revenue totals \$4.3 million. However, with police equipment in the amount of \$613,000, one new fire truck in the amount of \$1.2 million, and \$547,000 for a command post vehicle for Emergency Management, the cost of the capital purchases is estimated to be more than the projected sales tax for one fiscal year. Therefore, a proposed lease purchase in the amount of \$1.6 million would fund the large pieces of equipment over a three year period. Around \$4.8 million is proposed for residential street work divided among the three wards as evenly as possible.

Mr. Eddy stated that the Parks Improvement Fund contains the ¼ cent sales tax which funds the park improvements. They project around \$2.1 million in sales tax revenues. The largest project is proposed for Fairmoore Park in the amount of \$1.6 million.

Parks G.O. Bonds contains the \$25.1 million issuance approved by the voters in 2012 to build The Station Recreation Center and Aquatic Park. There is one more bond issue in the amount of \$2.78 million to complete the project.

CDBG-DR funds contain the disaster recovery monies with an estimate of projected revenues in the amount of \$14.2 million which equals the amount of projected expense to continue implementation of the HUD disaster recovery grant.

Councilman Hamm stated that he appreciated the conservative budget not only as a member of the City Council but as a resident of Moore. Steve Eddy, City Manager, commented that although it was a more conservative budget, we are in much better financial shape than the State and other local municipalities. Mr. Eddy believed that a small increase in the projected revenues would allow additional unfunded police officer positions and other equipment. He stated that the budget situation would be re-evaluated mid-year to determine how to proceed. The budget is fiscally sound and balanced and does not use any of the MPWA or City's current cash balance.

Mayor Lewis expressed his appreciation to City Manager Steve Eddy and Finance Director Brooks Mitchell for their work on the budget.

Mr. Eddy indicated that the public hearing and agenda item for adoption of the budget would appear on the June 6, 2016 agenda.

Agenda Item Number 3 being:

ADJOURNMENT

Councilman Blair moved to adjourn the Special Joint Work Study Session, second by Councilman Cavnar. Motion carried unanimously.

Ayes: Blair, Hunt, Cavnar, Hamm, Lewis
Nays: None
Absent: Webb

The meeting was adjourned at 7:08 p.m.

TRANSCRIBED BY:

RHONDA BAXTER, Executive Assistant

RECORDED BY:

KATIE BERHALTER, Administrative Assistant

FOR:

ADAM WEBB, MPWA Secretary

FOR:

MARK HAMM, MEDA Secretary

These minutes passed and approved as noted this ____ day of _____, 2016.

ATTEST:

BROOKS MITCHELL, City Clerk