



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 10/22/2024

REQUESTER: Kimberly Coffman, Budget Manager

PRESENTER: Anthony Francisco, Director of Finance

ITEM TITLE: CONSIDERATION OF ADOPTION, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF RESOLUTION R-2425-52: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORMAN, OKLAHOMA APPROPRIATING \$2,655,575 FROM THE SPECIAL REVENUE FUND BALANCE; \$130,048 FROM THE WESTWOOD FUND BALANCE; \$4,681,687 FROM THE RISK MANAGEMENT FUND BALANCE; \$4,814,280 FROM THE CAPITAL FUND BALANCE; AND \$1,291 FROM THE NORMAN FORWARD FUND BALANCE, TO CLOSE OUT YEAR-END ACCOUNTING ENTRIES FOR FYE 2024.

BACKGROUND:

At the end of each fiscal year (June 30th), the Finance Department posts all year-end accounting entries. In order to help with this process, some division's categories of expenses require a transfer to cover negative balances in line-item accounts. Oklahoma statutes require that each fund be balanced at the object category of expenditures, which include: salaries and benefits; materials and supplies; services and maintenance; and capital equipment ("capital outlay"). City of Norman policy requires the City Manager's approval for transfers within a City fund, or of funds between departments; from salary and benefit category accounts; and transfers from operating accounts to capital equipment accounts. The City Manager has already approved needed year-end transfers under his authority on recommendation from Finance Department staff (see attached memorandum). In some cases, however, some expenses cannot be covered from available allocations within the same fund and require an appropriation of fund balance or a transfer between funds. Oklahoma Statutes require that all appropriations of fund balance be approved by the City Council (governing body).

DISCUSSION:

At fiscal year-end (FYE) 2024, five funds lacked the needed funds within existing appropriations to cover expenses made during the year, for varying reasons. These include the Special Revenue Fund, the Westwood Fund, the Risk Management Fund, the Capital Fund, and the Norman Forward Fund. Adequate fund balance exists in these funds to cover the recommended appropriations.

In the Special Revenue Fund, an additional \$2,655,575 needs to be appropriated from fund balance to cover interfund-transfers to the Capital Fund for grant-funded capital projects.

In the Westwood Fund, an additional \$130,048 needs to be appropriated from fund balance to cover higher than anticipated salary expenditures.

In the Risk Management Fund, an additional \$4,681,687 needs to be appropriated from fund balance to cover higher than anticipated health claim and administration payments.

In the Capital Fund, an additional \$4,814,280 needs to be appropriated from fund balance to cover transfers to the

General Fund for capital equipment that was ordered in prior years but delivered in FYE 24 due to supply chain issues.

In the Norman Forward Fund, an additional \$1,291 needs to be appropriated from fund balance to cover higher than anticipated Trustee fees.

RECOMMENDATION:

Staff recommends the following appropriations be approved:

\$2,655,575 from Special Revenue Fund Balance (account number 22-29000) to Interfund Transfer – Capital Fund (account number 22930194-48050).

\$130,048 from Westwood Fund Balance (account number 29-29000) to Salaries - Temporary (account number 29970133-42003).

\$4,681,687 from Risk Management Fund Balance (account number 43-29000) to Self Insurance – Health Claim Payments (account number 43330105-44420).

\$4,814,280 from Capital Fund Balance (account number 50-29000) to Interfund Transfer – To General Fund (account number 50930194-48010).

\$1,291 from Norman Forward Fund Balance (account number 51-29000) to Debt Service Charges – Revenue (account number 51930149-47202).