

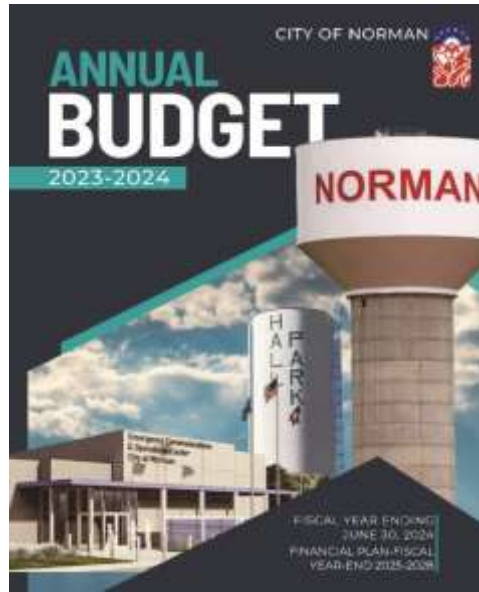
# CITY OF NORMAN

## Fiscal Year 2023-2024 Budget

April 18, 2023

Anthony Francisco, Finance Director

Kim Coffman, Budget Manager






# THE BUDGET IS:

- A POLICY DOCUMENT
- A FINANCIAL PLAN
- AN OPERATIONS GUIDE
- A PUBLIC COMMUNICATION DEVICE
- The City Manager's Proposed Budget is similar to the Executive Budget (prepared by the President to the Congress, or the Governor to the Legislature), and is now being presented to the Council (legislative body) in a series of study sessions.




# Fiscal Year 2023-2024 Summarized Budget Calendar

- Council Finance Committee Budget Discussions
  - Council Capital Budget Study Session (11/15/2022)
  - Finance Committee Mid-Year Budget Review (1/19/2023)
  - Council Capital Budget Study Session (2/14/2023)
  - **Council Budget Study Session – General & Special Revenue Funds (4/18/2023)**
  - Public Budget Hearing (4/25/2023)
  - Council Budget Study Session – Capital Funds (5/2/2023)
  - Council Budget Study Session – Enterprise Funds (5/16/2023)
  - Public Budget Hearing (5/23/2023)
  - Council Budget Study Session – Optional Follow-Up (6/6/2023)
  - Council Considers Budget For Adoption (6/13/2023)
  - Beginning of Fiscal Year 2023-2024 (7/1/2023)
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# FORMAT of Budget Documents



## Summary --> Detail

- City Manager's Letter (Pages i-xvii)
  - Community Profile Section (Pages 1-9)
    - Demographic/Socioeconomic Information
    - Benchmark Comparisons
    - Ward Map
  - Overview/Statistical Section (Pages 10-33)
  - Financial Policies (Pages 34-53)
  - Financial Summaries (Pages 54-116)
  - Fund/Department Detail (Pages 117-457)
    - Mission Statements, Organization Charts, Goals/Objectives, CIP Summaries, Outstanding Debt
  - Appendices (Pages 458-471)
    - Glossary, Index
- 

## FUNDING SOURCES FOR EACH DEPARTMENT

Divisions	Governmental Funds				Proprietary Funds	
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Enterprise Funds	Internal Service Fund
City Clerk	GF					
City Council	GF					
City Manager	GF					
Finance	GF					
Fire	GF					
Human Resources	GF					
Information Technology	GF					
Legal	GF					
Municipal Court	GF					
Parks & Recreation	GF					
Planning & Development	GF					
Police & Emergency Communications	GF					
Public Works	GF					
Non-Departmental	GF					
Net Revenue Stabilization (Rainy Day)	GF					
CLEET		SR				
Community Development		SR				
Fire - Public Safety Sales Tax		SR				
Police - Public Safety Sales Tax		SR				
Room Tax		SR				
Seizures & Restitution		SR				
Special Grants		SR				
Art in Public Places		SR				
Westwood Park		SR				
Public Transportation		SR				
Sanitation					EN	
Water Reclamation					EN	
Sewer Maintenance					EN	
New Development Excise					EN	
Water					EN	
Risk Management						IS
Capital Projects				CA		
Norman Forward Sales Tax				CA		
Park Land & Development				CA		
University North Park TIF District				CA		
Center City TIF District				CA		
Arterial Roads Recoupment				CA		
General Debt Service			DS			
General Obligation Bond			DS			




# FINANCIAL POLICIES

- With adoption of the budget, Council re-adopts its financial policies
- With the adoption of the budget, Council appropriates the projected revenues and allocated expenditures
- Balanced Budget Requirement (Positive Fund Balance in each fund)
- Five-Year Forecasts (Formula-Based)
- Operating, Capital, Debt Reserve Policies
- ***Levelized Utility Rates*** (5-Year)
- Utility/Room Tax Transfers to General Fund
- Compliance With Oklahoma Municipal Budget Act

# Net Revenue Stabilization Fund

## (Reserve Policies)

- Adopted by Ordinance O-1011-58; Amended By Ordinance O-1819-10
- **Minimum** 3% General Fund Operational Reserve in General Fund
- **Mandated** 1% General Fund Emergency Reserve Budget Allocation in General Fund
- **Minimum** 4% “Rainy Day Fund” Reserve
- **Targeted** 5% “Rainy Day Fund” Reserve
- **Maximum** 6% “Rainy Day Fund” Reserve
- TOTAL Reserve Levels 8% - 10% of General Fund Expenditures
- Council cannot appropriate Rainy Day Fund Balance unless:
  - General Fund 1% Emergency Reserve Allocation has been spent; AND
  - Projected General Fund Balance Falls below 1%; AND
  - Federally or State-declared disaster in Cleveland County, after emergency reserve is spent; OR
  - One-time major repair/replacement is required
- Rainy Day Fund is projected to be above Minimum Level and \$69,071 Below Targeted Level



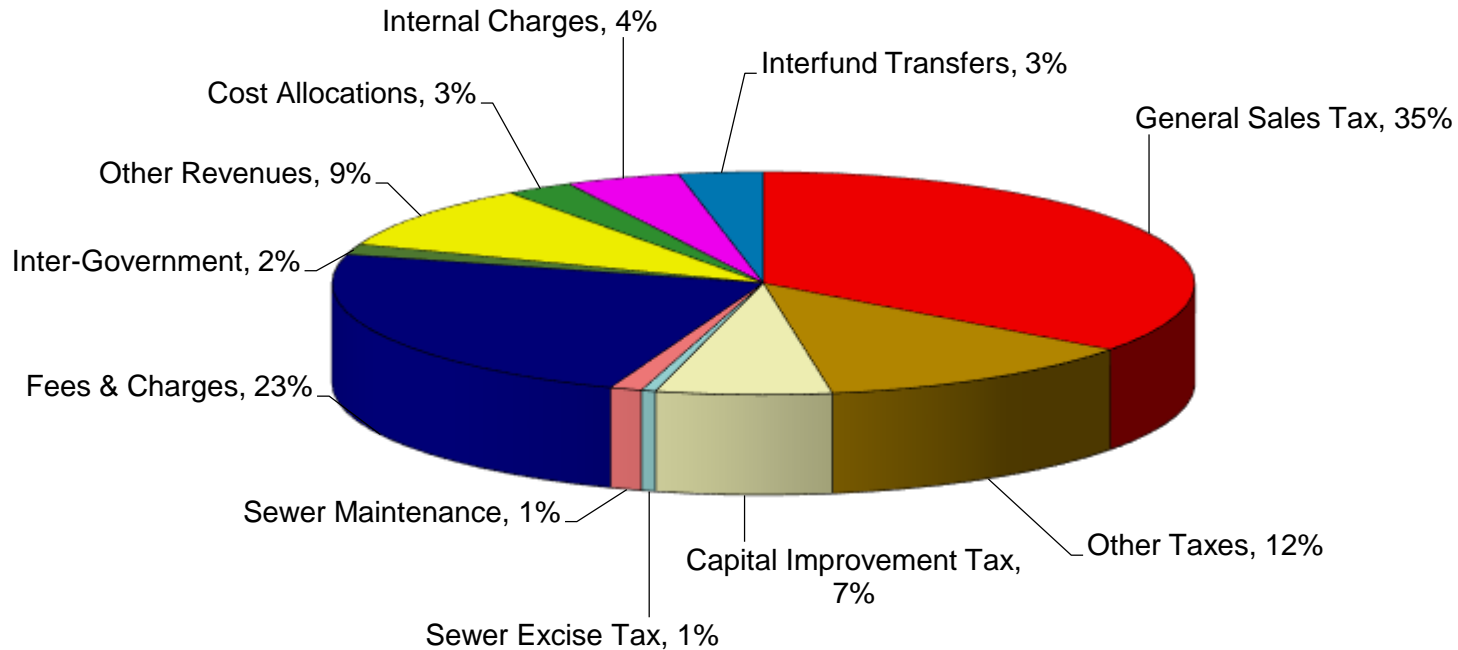
# **FISCAL YEAR 2023-2024 BUDGET AND FIVE-YEAR PROJECTIONS**

**OVERRIDING THEME:  
THE BEST OF TIMES & THE WORST OF TIMES  
("A TALE OF TWO CITIES")**

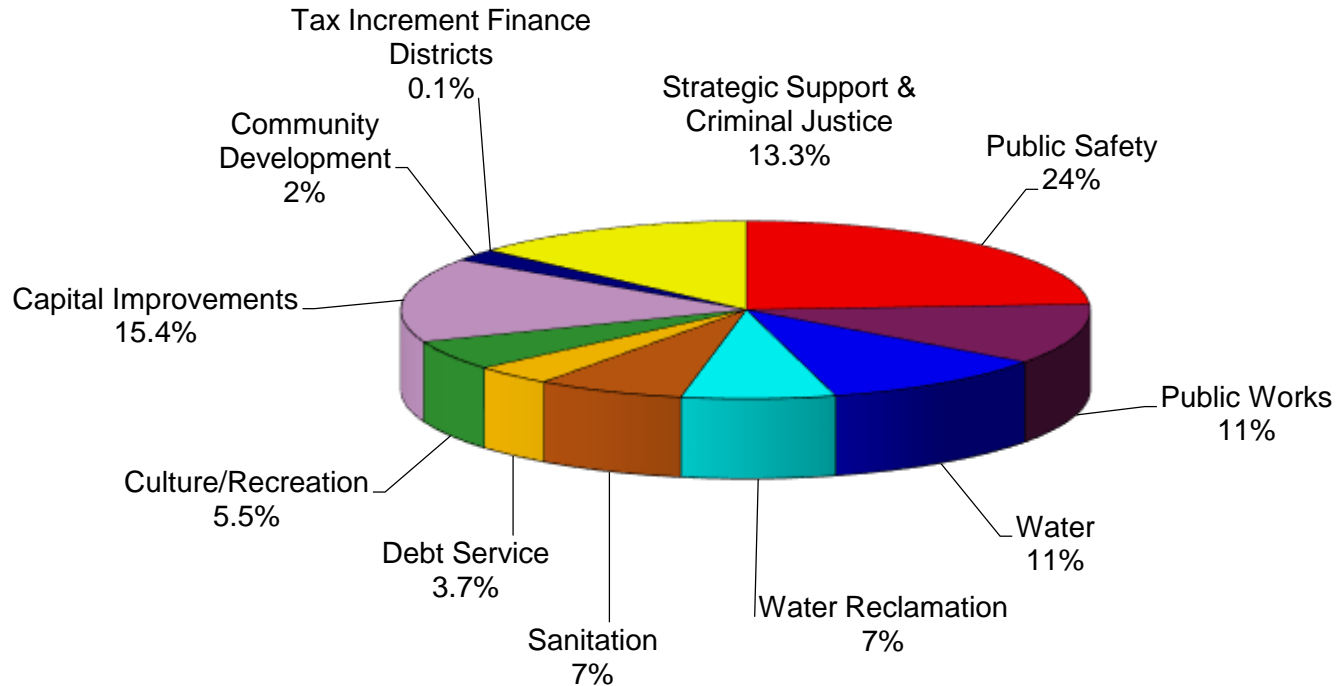


## FYE 2024 ALL FUNDS PROJECTED TOTAL REVENUES

\$261,038,492

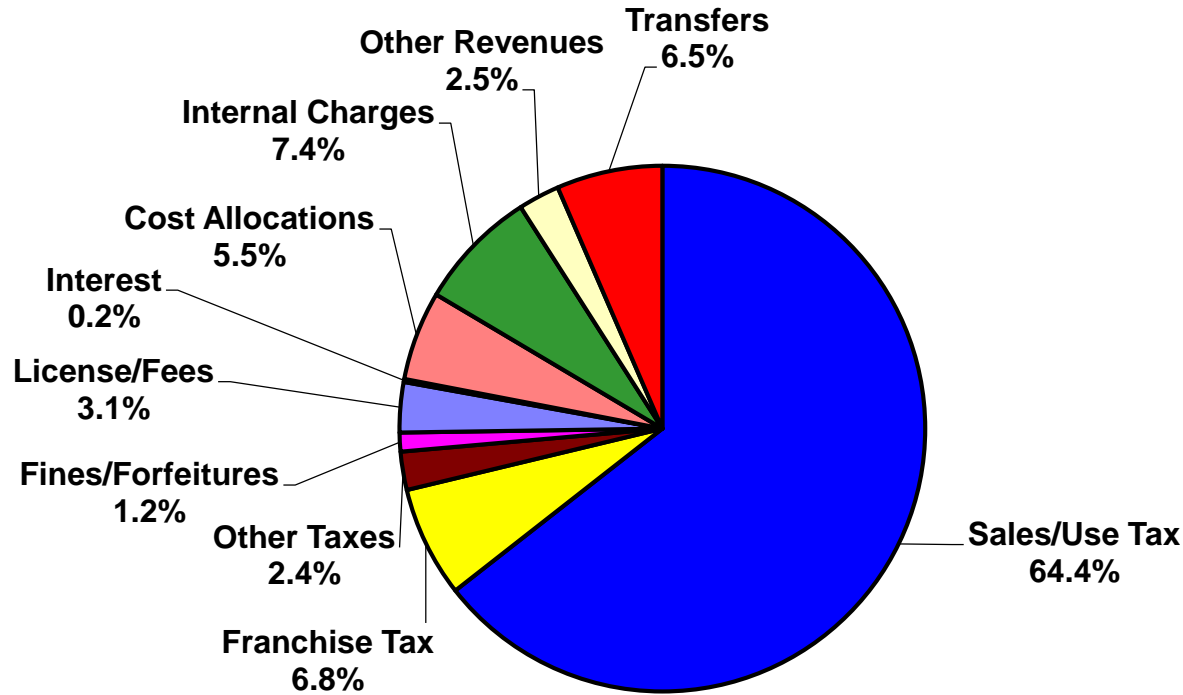


**FYE 2024 ALL FUNDS PROJECTED TOTAL EXPENDITURES**  
**\$273,684,137**



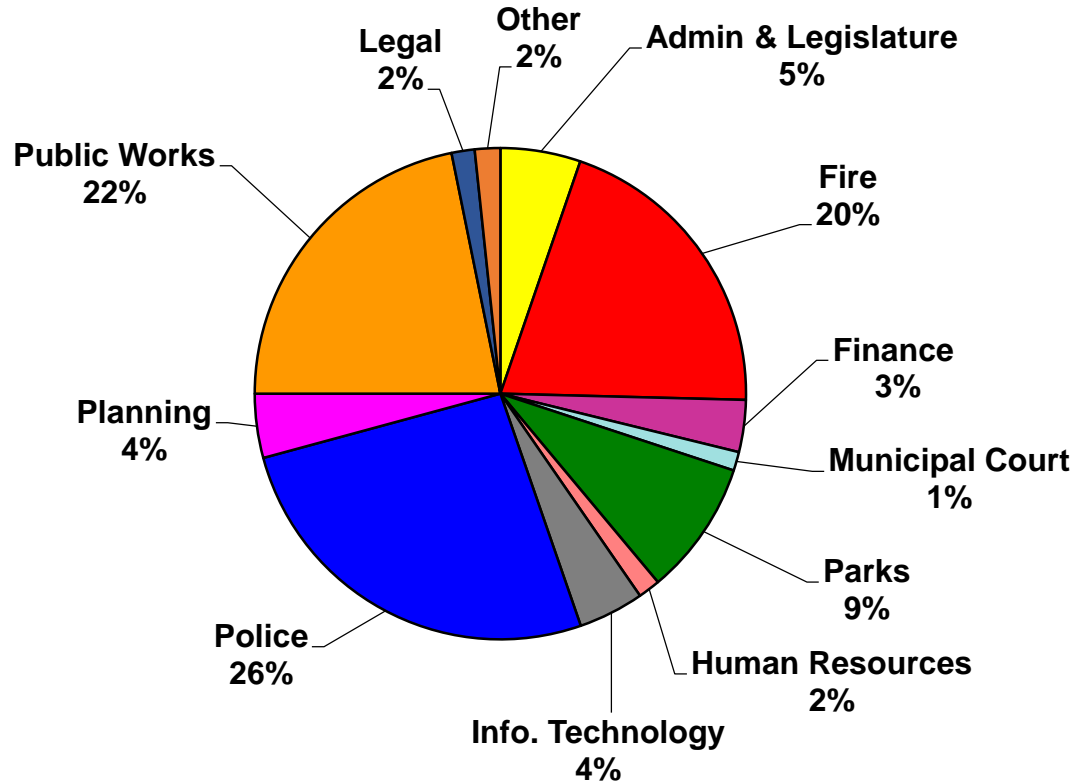
# FYE 2024 GENERAL FUND REVENUES BY SOURCE

**\$105,006,886**



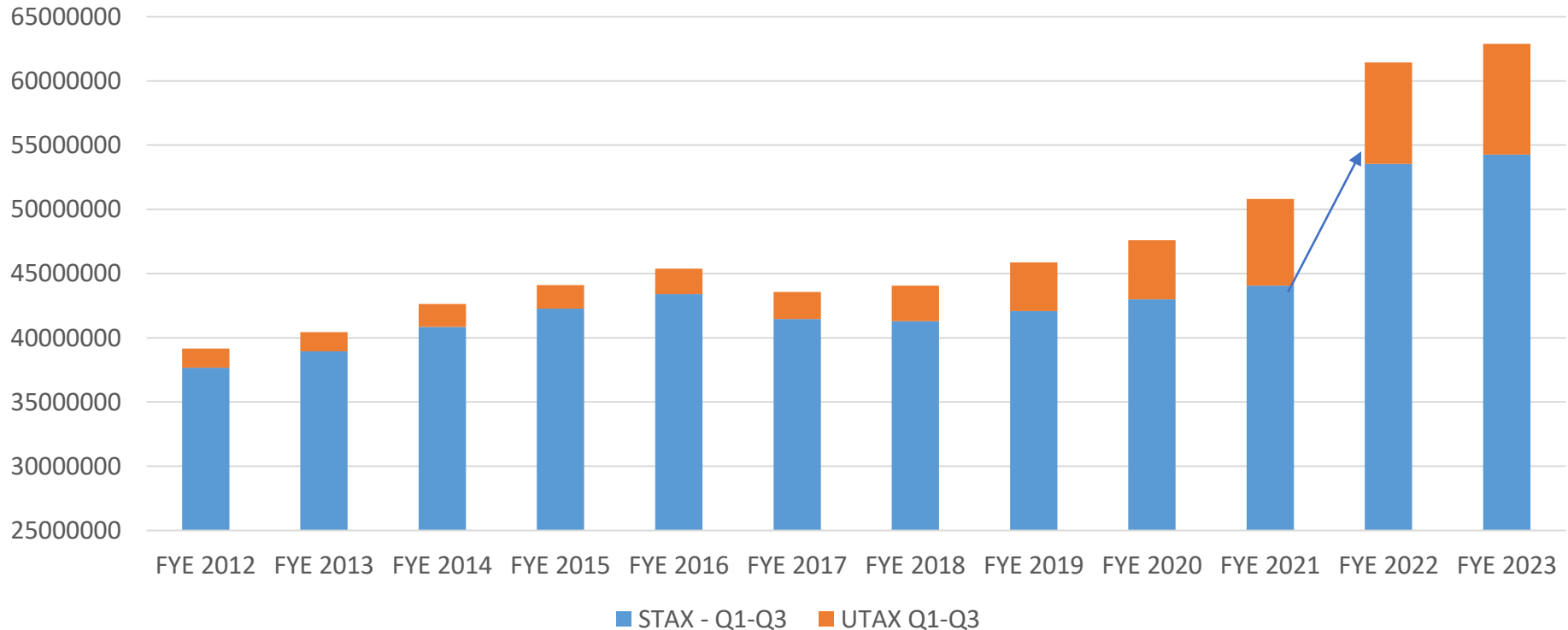
# FYE 2024 GENERAL FUND EXPENDITURES BY DEPARTMENT

**\$106,306,827**

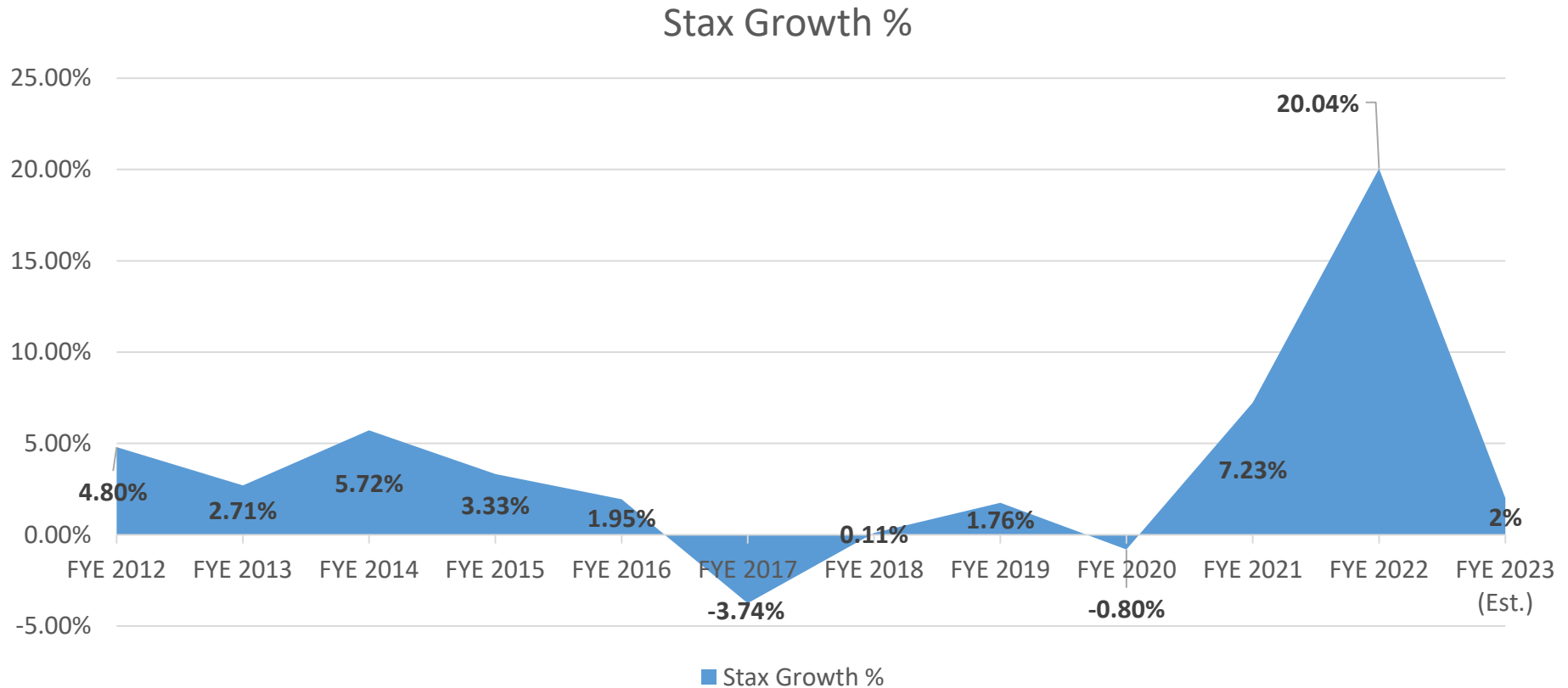


# Sales and Use Tax Revenue (Fiscal Quarters 1 – 3), 10 Year History

In Dollars

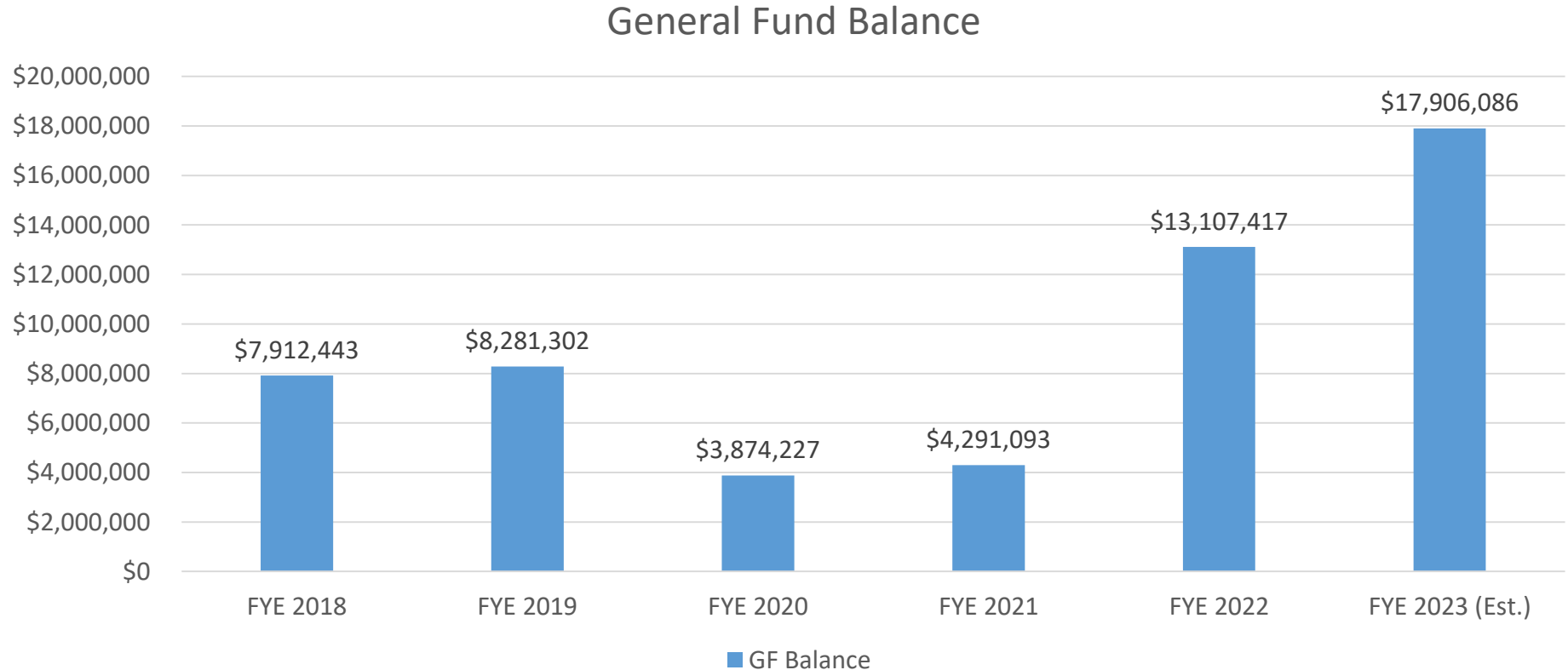


# Sales Tax in % Growth From Prior Year FYE 2012 – FYE 2023 (Estimated)

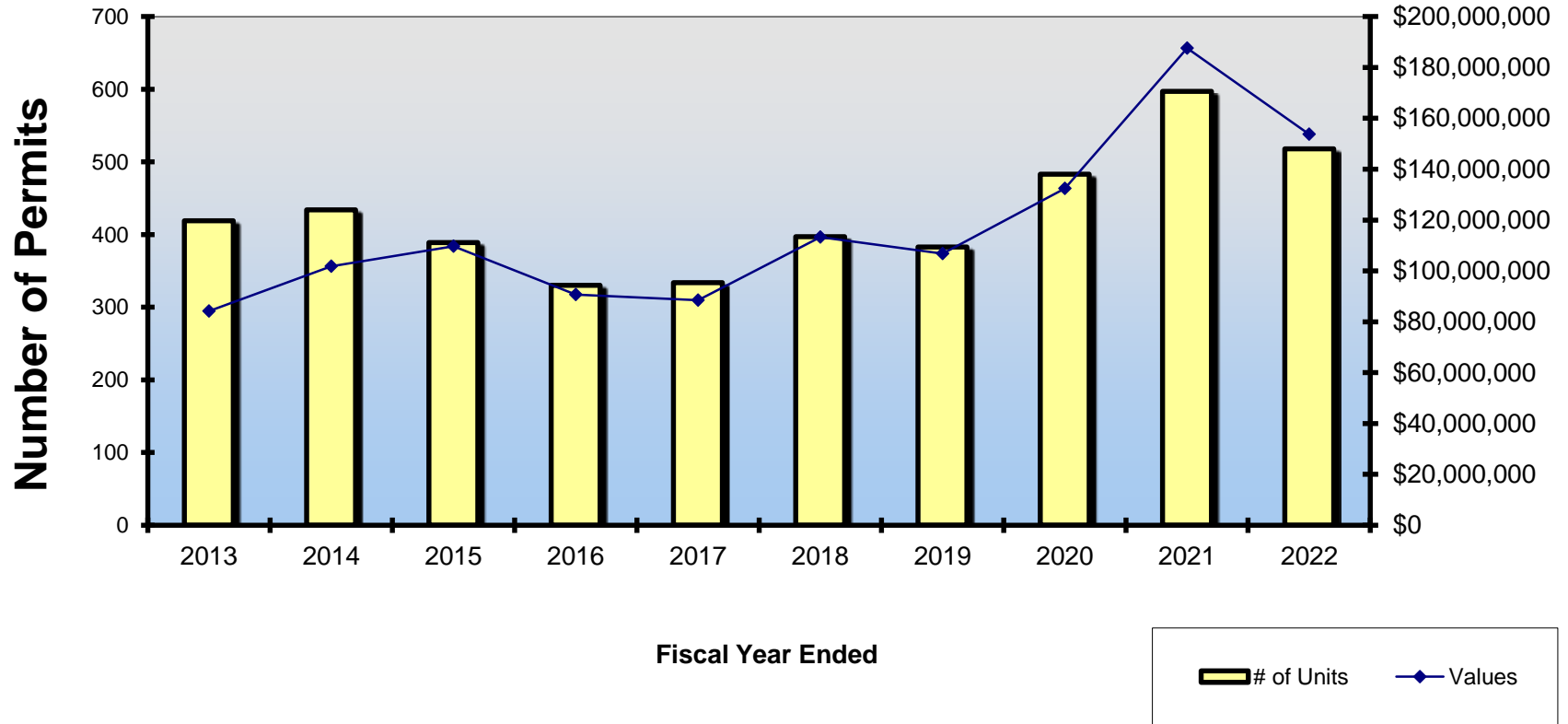


# General Fund Balance

## Fiscal Year Ended 2018 – 2023 (Estimated)



# SINGLE FAMILY CONSTRUCTION







# Major General Fund Revenue Assumptions

- Sales tax growth projection of 2% from projected fiscal year 2022-2023 levels;
- Use Tax projected to grow at 4%; Franchise Fee and Other Tax Revenue projected to grow by 3% from projected FYE 2023 levels;
- Fine and Forfeiture revenue projected to grow by 3% from FYE 2023 levels
- No Room Tax or Water rate increase revenue assumed;
- License and Permit revenue projected to grow by 1% from FYE 2023 levels;
- Transfers from Water and Water Reclamation Utilities of 5% of their revenue (based on private utility payments for taxes and use of R-O-W)
- Transfers from Room Tax Fund for administrative services (4%)
- Cost allocations charges for central services provided to utilities



# Major General Fund Expenditure Assumptions

- Salary and benefit category expenses budgeted for each position in FYE 2024 based on contractual costs, assuming merit and longevity cost increases;
- No cost-of-living adjustment budgeted in FYE 2024;
- Five-year projections made to “determine future viability and to provide a base for remedial policy actions”
- Salary and benefit category costs assume to grow by 5% per year in FYE 2024-2027;
- Expenditures in Services and Maintenance and Supply and Materials assumed to grow by 1% in FYE 2024-2027;
- Expenditures in Internal Services category based on budgeted costs in FYE 2022 and assumed to grow by 2% in FYE 2024 – 2027;
- Employee Turnover Savings of \$800,000 assumed in FYE 2023 & in future years;
- “Subsidies” to Public Transit & Westwood Funds to have \$0 fund balance in Special Revenue Funds, if required.

# Fiscal Year 2022-2023 Personnel Changes Implemented in FYE 2024 Budget

Closed/Eliminated Positions	Added Positions
Internal Audit Technician – City Manager	Network Engineer – Information Technology
Homeless Technician – Community Dev.	Administrative Technician – Community Dev.
(4) Part-Time Custodians - Parks	Long-Range Planner–Community Development
Outreach Case Coordinator (CDBG)	Data Base Manager – Police
Outreach Housing Liaison (CDBG)	(9) Police Officers - Police
Homeless Coordinator (CDBG)	Victim’s Advocate - Police
	Animal Welfare Technician - Police
	Pet Adoption Coordinator - Police
	Golf Operations Manager - Parks

# FYE 2024 – Proposed Added Personnel

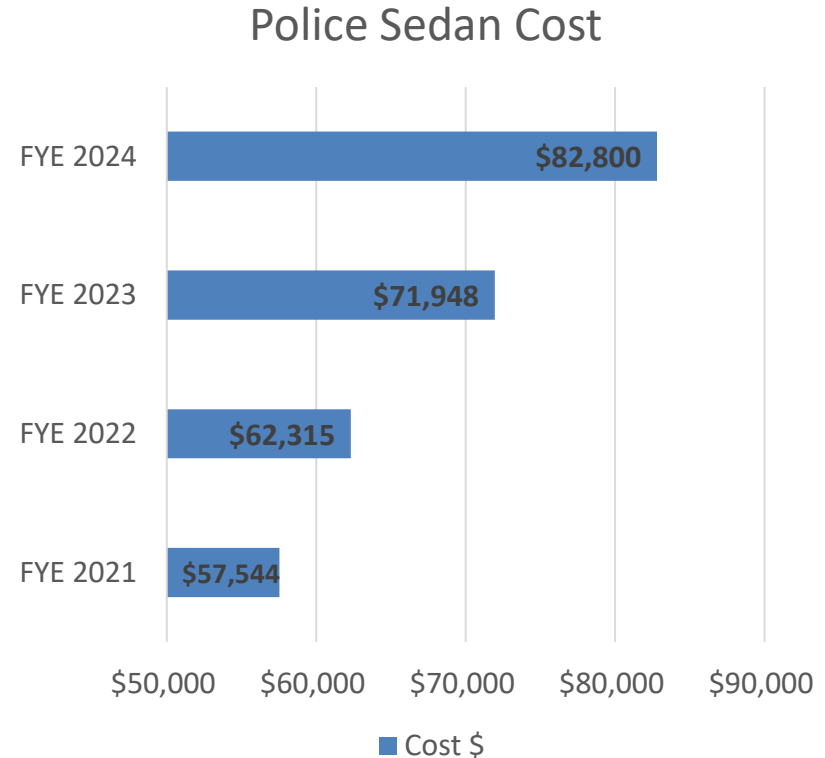
## General Fund

Position/Department
Assistant City Manager – City Manager
Assistant City Attorney – City Attorney
Business Systems Analyst – Information Technology
Geographic Information Systems Intern (Part-Time) – Planning and CD
Construction and Facilities Program Manager – Parks/Building Management
Recreation Technician (Part-Time) – Parks/Recreation

# General Fund

## Fleet Replacement Supplement

- Fleet Study Recommends a Replacement budget of +/- \$6 Million Per Year for a Fleet of our size
- Capital Outlay Allocation of +/- \$2 Million Per Year Becoming Less Adequate
- **Recommended 1-Time General Fund Supplement of \$3.2 Million**



# General Fund “Best of Times”

## Recommendations

- Increased Staffing in Targeted Areas:
  - Police/Patrol
  - Police/Animal Welfare
  - Information Technology
  - Parks/Recreation
  - Parks/Building Management
- Employee Compensation (Recruitment, Retention)
- Fleet Replacement Supplement



# Public Safety Sales Tax Fund

- 2 Dispatcher Positions Added in FYE 2024
- School Resource Officer Additions Behind Schedule
- Critical Capital Needs are progressing; Last Allocation for Fire Apparatus
- \$9.5MM of ARPA Funds Appropriated to Complete ECOC
- Debt for Radio System & ECOC Paid off in 2027
- 3/8% of PSST Revenue to General Fund; 1/8% to Capital Fund when Critical Capital Needs are Completed
- Current Sales/Use Tax Revenue is Projected to Fund Operations without General Fund Subsidy

# Special Grants Fund

## ARPA Entitlementment Allocations

Entity/Purpose	Amount (\$)
City Emergency Communications Center	\$9,500,000
Affordable Housing	\$6,400,000
Lower Imhoff Creek Stabilization	\$3,000,000
Affected Non-Profit Support	\$1,900,000
NEDC Business Incubator	\$1,000,000
Arts & Humanities Support	\$ 100,000
City Employee Vaccination Incentives	\$ 82,564



# Room Tax Fund Status

- No Assumption of Additional Revenue from Proposed Room Tax Rate Increase (Voter Referendum on May 9<sup>th</sup>);
- If Rate Increase is approved, an amendment will be considered with final FYE 2024 Budget
  - Approximately \$975,000 additional \$ to Visit Norman
  - Approximately \$325,000 additional \$ to Norman Arts

# Other Special Revenue Funds

- Council on Law Enforcement Education and Training (CLEET)
- Community Development Block Grant (CDBG Budget Process)
  - De-Emphasis on Services to Individuals Experiencing Homelessness
- Seizures and Restitution
  - Police Fleet Replacement Supplement of \$1,461,780
- Public Transit
  - General Fund Subsidy of \$702,822 for expanded Micro-Transit Services
- Art in Public Places
- Westwood Park

# Upcoming Council/Public Budget Meetings



- 4/25/2023 – Public Budget Hearing
  - 5/2/2023 – Capital Fund Budgets
  - 5/16/2023 – Enterprise Fund Budgets
  - 5/23/2023 – Public Budget Hearing
  - 6/6/2023 – Optional Budget Study Session
  - 6/13/2023 – Council Considers Budget for Adoption
  - 7/1/2023 – Beginning of Fiscal Year 2023-2024
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# QUESTIONS/DISCUSSION

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