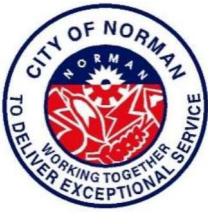


File Attachments for Item:

29. CONDUCTING AND CLOSING A PUBLIC HEARING FOR CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AMENDMENT AND/OR POSTPONEMENT OF AN AMENDMENT TO THE ADOPTED FISCAL YEAR 2023-2024 CITY OF NORMAN AND NORMAN UTILITIES AUTHORITY OPERATING BUDGETS; CREATING AN ATHLETIC FACILITY SPECIAL REVENUE FUND; AND APPROPRIATING ANTICIPATED REVENUE.



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 08/08/2023

REQUESTER: Anthony Francisco, Director of Finance

PRESENTER: Anthony Francisco, Director of Finance

ITEM TITLE: CONDUCTING AND CLOSING A PUBLIC HEARING FOR CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AMENDMENT AND/OR POSTPONEMENT OF AN AMENDMENT TO THE ADOPTED FISCAL YEAR 2023-2024 CITY OF NORMAN AND NORMAN UTILITIES AUTHORITY OPERATING BUDGETS; CREATING AN ATHLETIC FACILITY SPECIAL REVENUE FUND; AND APPROPRIATING ANTICIPATED REVENUE.

BACKGROUND:

Construction on one of the “crown jewels” of the NORMAN FORWARD quality of life program, the Young Family Athletic Center (YFAC) is nearing completion. Quoting from the NORMAN FORWARD Implementation Plan accepted by the City Council in March, 2023, “the combined Indoor Multi-Sport and Aquatic Center will be named the “Young Family Athletic Center” after Norman native, NBA All-Star and University of Oklahoma alumnus Trae Young. The aquatic portion of the building will feature two pools: an 8-lane, 25-meter competition pool with spectator seating and a 4-lane, 25 meter pool used as a warm-up pool during competitions. The Multi-Sport (gymnasiums) portion of the building will each house 8 basketball courts or 12 volleyball courts. Norman Regional Health System is developing the “NMotion” space, which will serve as a sports and human performance center and physician clinic. Other YFAC amenities include concessions, a small retail space, administrative offices, tournament and team breakout rooms, public restrooms, and other support areas.”

On February 9, 2021, the Council approved Contract K-2021-93, a Memorandum of Understanding with Santa Fe Family Life Centers, for the third-party operation of the YFAC, and directing staff to negotiate terms of a final operating contract. Negotiations between City staff and Santa Fe did not result in a final operational contract.

On June 13, 2023, the voters of Norman approved an increased water rate structure for customers of the Norman Utilities Authority, effective in September, 2023. This voter approval came after the adoption of the fiscal year 2023-24 budget.

DISCUSSION:

As discussed by the City Council in the July 25, 2023 Study Session, and by the NORMAN FORWARD Citizen's Financial Oversight Board (CFOB) at the July 18, 2023 CFOB meeting, it has been decided that the YFAC can be more efficiently and effectively operated by staff of the City's Park and Recreation Department. In order to implement this operation to coincide with the opening of the facility in late 2023, major amendments to the City's fiscal year 2023-2024 operating budget are required. These amendments include allocating estimated revenues from the operations of the facility and estimated expenses for additional full and part-time staffing, supplies and materials and capital outlays.

Related to the water rate increase, estimated capital project expenditures were included in the fiscal year 2023-2024 Water Utility Department budget, but estimated revenues were not. Estimated revenues of \$3,000,000 for the remainder of FYE 24 are proposed to be included in the amended budget.

The proposed amendments to the Parks and Recreation Department and Water Utility Department budget are summarized on the attachment.

CITY OF NORMAN, OKLAHOMA
FISCAL YEAR ENDING 2024 BUDGET AMENDMENT
SUMMARY OF FUND BALANCES

BEGINNING FUND BALANCE	REVENUES			EXPENDITURES			EMP TURNOVER SAVINGS	TOTAL EXPENSES	REVENUES OVER (UNDER) EXPENSES	ENDING FUND BALANCE
	OPERATING REVENUES	INTERFUND TRANSFERS	TOTAL REVENUES	OPERATING EXPENSES	INTERFUND TRANSFERS	SUBTOTAL EXPENSES				
\$ -	\$ 973,065.00	\$ -	\$ 973,065.00	\$ 973,065.00		\$ 973,065.00		\$ 973,065.00	\$ -	\$ -
86,701	3,000,000		3,000,000			0		0	3,000,000	3,086,701
2,814,461			0	80,000		80,000		80,000	(80,000)	2,734,461
\$2,901,162	\$3,973,065	\$0	\$3,973,065	\$1,053,065	\$0	\$1,053,065	\$0	\$1,053,065	\$2,920,001	\$5,821,162
			0			0		0	0	0
			0			0		0	0	0
			0			0		0	0	0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$2,901,162	\$3,973,065	\$0	\$3,973,065	\$1,053,065	\$0	\$1,053,065	\$0	\$1,053,065	\$2,920,001	\$5,821,162

at 6:30 p.m. in the Council Chambers of the Norman Municipal Building for the purpose of discussion of the proposed amendment. The adopted budget may be examined on weekdays at from 8:00 a.m. to 5:00 p.m. All interested citizens have the opportunity to give written and oral comments.

YFAC Budget Projections

Item 29.

Revenues				Projected Fee 12 Months	Proposed FYE 24 7 Months
Memberships	#	Days			
	Family	400	--	\$55.00	\$154,000
	Individual	400	--	\$30.00	\$84,000
	Senior/Military	125	--	\$25.00	\$21,875
	Sub-Total				\$259,875
Daily Passes					
	Pool	20	365	\$5.00	\$21,292
	Multi Sports	25	365	\$5.00	\$26,615
	Senior/Military	20	365	\$3.00	\$12,775
	Sub-Total				\$60,681
Rentals					
	Swim Club	1		\$50,000.00	\$29,167
	Basketball Club	1		\$50,000.00	\$29,167
	Volleyball Club	1		\$50,000.00	\$29,167
	NPS	1		\$50,000.00	\$29,167
	Optimist	1		\$50,000.00	\$29,167
	Tournament	35		\$10,000.00	\$204,167
	Misc. Rentals	50		\$1,000.00	\$29,167
	Sub-Total				\$379,167
Concessions	Lease Agreement	1			\$29,167
Classes					
	Local Leagues				\$58,333
	Camps	500		\$50.00	\$14,583
	Aqua Fitness Classes	500		\$5.00	\$1,458
	Swim Lessons	500		\$50.00	\$14,583
	Sub-Total				\$88,958
Marketing					
	Video Boards				\$126,051
	Misc. Sponsorships				\$29,167
					\$155,217
Total Revenues					\$973,065

Expenditures				Projected 12 Months	Proposed 7 Months
Salaries & Benefits					
	Salaries - Full Time			\$ 222,932.48	\$148,622
	Salaries - Part Time			\$ 465,554.82	\$310,370
	Salaries - Temporary			\$ 62,400.00	\$41,600
	Other Salaries - Overtime			\$ 5,000.00	\$3,333
	Retirement			\$ 18,949.26	\$12,633
	Health Insurance			\$ 76,660.00	\$51,107
	Safety Bonus			\$ 100.00	\$67
	Life Insurance			\$ 300.00	\$200
	Fica/Medicare			\$ 57,825.38	\$38,550
				\$ 909,721.94	\$606,481
Supplies & Materials					
	Office			\$1,000	\$583
	Recreation			\$40,000	\$22,638.33
	Operating Chemicals & Maintenance			\$100,000	\$58,333
	First Aid Supplies			\$1,000	\$583
	Plumbing & Electrical			\$1,500	\$875
	Janitorial			\$7,500	\$4,375
	Paint and Paint Products			\$500	\$292
	Other Building Materials			\$1,000	\$583
	Safety & Protective			\$2,500	\$1,458
	Other - Uniforms			\$2,500	\$1,458
	Other - Minor Tools & Equipment			\$2,500	\$1,458
				\$160,000	\$92,638
Other Professional					
	Other Professional (Certifications)			\$2,500	\$1,458
	Misc. Concract Services			\$100,000	\$58,333
	Advertising - General			\$40,000	\$23,333
	Office Machines & Equip.			\$2,500	\$1,458
	Other Miscellaneous			\$2,500	\$1,458
	Janitorial Contract			\$110,000	\$64,167
	Telephone Basic			\$1,000	\$583
	Telephone - Long Distance			\$120	\$70
	Electricity			\$100,000	\$58,333
	Natural Gas			\$50,000	\$29,167
	Water & Trash			\$50,000	\$29,167
	Refunds & Reimbursements			\$2,500	\$1,458
				\$461,120	\$268,987
Internal Services Maint.					
	Building Repair			\$7,500	\$4,375
	Printing Services			\$400	\$233
	Workers Compensation			\$600	\$350
				\$8,500	\$4,958
Total Expenditures				\$1,236,101	\$973,065