



CITY OF NORMAN, OK

NORMAN FORWARD SALES TAX CITIZEN FINANCIAL OVERSIGHT BOARD MEETING

Adult Wellness & Education Center, 602 N. Findlay, Norman, OK 73069
Tuesday, July 18, 2023 at 3:30 PM

MINUTES

It is the policy of the City of Norman that no person or groups of persons shall on the grounds of race, color, religion, ancestry, national origin, age, place of birth, sex, sexual orientation, gender identity or expression, familial status, marital status, including marriage to a person of the same sex, disability, relation, or genetic information, be excluded from participation in, be denied the benefits of, or otherwise subjected to discrimination in employment activities or in all programs, services, or activities administered by the City, its recipients, sub-recipients, and contractors. In the event of any comments, complaints, modifications, accommodations, alternative formats, and auxiliary aids and services regarding accessibility or inclusion, please contact the ADA Technician at 405-366-5446, Relay Service: 711. To better serve you, five (5) business days' advance notice is preferred.

ROLL CALL

PRESENT

Board member Andy Sherrer
Board member Cindy Rogers
Board member Erik Paulson
Board member Linda Price
Board member Saidy Orellana
Board member Misty Grantham
Board member Zachary Simpson

ABSENT

Board member Alva Brockus

OTHERS

Anthony Francisco, Director of Finance
Clint Mercer, Chief Accountant
Kathryn Walker, City Attorney
Jason Olsen, Director of Parks & Recreation
Veronica Tracy, Recreation Manager
Kellen McCoy, Field Operations Supervisor
Jacob Huckabaa, Budget Technician
Dannielle Risenhoover, Administrative Tech IV

MINUTES

1. Consideration of approval, rejection, amendment and/or postponement of minutes from May 23, 2023

Member Price made a motion to approve the minutes from the May 23, 2023 meeting, which was duly seconded by Member Sherrer. The motion passed unanimously.

Items submitted for the record:

Norman Forward Citizens Financial Oversight Board Minutes from May 23, 2023

REPORTS AND ACTION ITEMS

2. Consideration of approval, rejection, amendment and/or postponement of Finance Reports

Anthony Francisco gave the Expenditure Report stating that the Reaves Park Project has been finalized and that the Professional Services Project has gone from a negative to a positive balance and is near completion as well. Francisco also gave the Revenue Report stating that the City had a pretty good revenue month in July, but a pretty bad revenue month in June. "All things taken together, we're about .77% above the Fiscal Year target and 10% below the original projected targets for Sales Tax," Francisco said. "We're 22% above Use Tax projections and 148% above the original projections for Use Tax. Taken together, we're about 2.5% above the combined Fiscal Year target and 3.8% below the combined original target. We are still below the combined target so we want to keep expenditures down as much as we can and certainly within their budgets as we move forward." Member Rogers referred to previous Committee conversations about how monthly Sales and Use Tax predictability has become more challenging and difficult. Francisco agreed stating, "Our targeting is based on the full 30 or so years of history that we have month-to-month collections of Sales Tax, but recent trends are not so reflective of those long term trends that you might think or hope. If the current trends continue, we'll get close to those trends moving forward. Over the year it should balance out."

Items submitted for the record:

Expenditure Report

Revenue Report

3. Consideration of approval, rejection, amendment and/or postponement of previously approved Council actions

Anthony Francisco gave the report stating that Council hadn't taken any major actions since the last Norman Forward Citizens Financial Oversight Board meeting, except for approving the Young Family Athletic Center (YFAC) operating contract between Norman Regional Hospital and the City of Norman. Norman Regional Hospital is now officially part of the YFAC project. They have made their second payment to the City of Norman and their next payment will be made upon completion of the YFAC construction.

Member Rogers requested more information regarding the Council's re-appropriation of funds for the Adult Wellness & Education Center and the YFAC. Francisco stated, "The whole contract for the construction of the Adult Wellness & Education Center and the YFAC was encumbered

when the City entered into the contract with the construction managers at risk. At the end of last Fiscal Year (June 30, 2023), we disencumbered that money and re-appropriated it at the start of this Fiscal Year (July 1, 2023). We had to close the books with a positive fund balance and then re-appropriate the money this Fiscal Year. For fund balance purposes, all money that is encumbered at the end of the Fiscal Year is booked as if it has been spent; so, what we have to do is disencumber the money at the end of this closing Fiscal Year and then re-encumber it at the start of the new Fiscal Year. Nothing really happened except Council had to take that action to disencumber and re-appropriate.”

As of July 2023 the last of the 2021 Norman Municipal Authority bond money was spent. Francisco stated, “Everything that we do now in Norman Forward, not just YFAC, but in Norman Forward, will be on a pay as you go basis. You are not going to see reserve for bond proceeds anymore because that reserve is gone. This Board has done a great job from day one, to make sure, based on those pro-forma reports, that we will be in the black, and we’ll make sure that we hold to that.”

Items submitted for the record:
Previous Council agenda items

4. AD HOC Committee Liaison Reports

No report was given.

5. Project Manager Reports

Francisco stated that the City of Norman was unable to develop a successful operating agreement between themselves and Santa Fe Family Life Center for the management of the YFAC; thus, the decision was made that the Norman Parks and Recreation Department will be the operator of the YFAC. Although City of Norman and Santa Fe Family Life Center couldn’t come to an operating agreement, City of Norman Director of Parks & Recreation, Jason Olsen, stated that he believes the Santa Fe Family Life Center will continue to be a YFAC tournament partner. The YFAC’s health partner will be Norman Regional Hospital.

6. Young Family Athletic Center (YFAC) Update & Business Plan Report

Jason Olsen stated that he will be approaching several City of Norman boards to gain recommendations and feedback in the creation of the City of Norman, YFAC operating guidelines. When solid policies have been formulated, Olsen will approach Council for approval of the operating policies. Once Council approves the policies, it will be up to the City Manager and the Park Board to make recommendations in updating the policy manual. In speaking about the YFAC fee schedule, Olsen stated, “We are giving a lot of benefits to our Norman residents. We want to make sure that this is accessible.” Olsen reviewed and submitted for the record a tentative YFAC business plan, booking policies, and a proposed budget to the Board for review. Olsen states that meetings with local YFAC partners indicate that they are really pleased with the initial operating plan for the facility.

As the operator and facilitator, the City of Norman Parks & Recreation Department will be booking the YFAC events, so if the Sports Commission recruits an event, they will have to work with the City to book it. Olsen says, “Ideally concessions will be a separate operator so they will be buying all their food and selling it.” It is expected that the City will then get a percentage of the concession profit.

Member Sherrer asked how the newly passed hotel/motel tax increase will affect collaboration between the City of Norman and Visit Norman. Olsen replied, "One of the key things that makes Young Family Athletic Center very, very attractive is the walkability from the hotels. I think we have right at 600 hotel rooms that are available within walking distance of the Young Family Athletic Center. What we have talked about with them (Visit Norman) so far is that they would be out there recruiting tournaments for us. They will also be putting together (bid) packages for us. On top of that, they have committed to a little bit of marketing. Where that leads may be some social media or recruiting sponsors." Olsen also stated that the bid packages will include things such as marketing agreements, hotel costs, and attractive YFAC images.

Chair Rieger commented that he thinks the YFAC operating budget looks good, but asked, "What happens if you don't make your numbers?" Anthony Francisco replied, "The whole idea is that the revenues will equal the expenditures. If you're coming up short on revenues then you're going to have to cut expenses. That would be the first thing. The second thing is that, yes, there may be a call for the City's General Fund or for the Norman Forward Fund to do some subsidizing of the YFAC in the short term or the longer term, but we don't foresee that right now. This Board will certainly be informed on how it's looking, at least on a meeting by meeting basis."

"There are a lot of cities that build these (sports facilities), not so many cities that necessarily operate these," Olsen added. "Most of the time it is a private venture. A lot of these sports facilities build in a warehouse district. We're building in a commercial district so we have completely different standards for what we're building compared to somewhere else. We want to have a beautiful, nice, available rec center for our local leagues and for our kids who are here playing and on our open weekends outside of that, we're going to go out there and open this place up. We think we can get top dollar (for hosting tournaments) and then return that value back to our residents."

Surplus revenue from the operation of the YFAC will go into a special revenue fund for the YFAC.

Items submitted for the record:

Operator Memo

YFAC Business Plan

YFAC Booking Policies

MISCELLANEOUS

The Library is now responsible for its own ground maintenance. A large portion of the natural landscaping is being replaced with buffalo grass to make the grounds easier to maintain.

Chair Rieger commented that the week of July 17 was the five year anniversary of the opening of the east side library.

Member Price questioned what the City will do if the State of Oklahoma decides to sell Griffin Park and Sutton Wilderness. City Attorney, Katherine Walker stated that in 2019 the state agreed to, and Norman City Council approved, a 15 year initial term lease with a renewable 15 year term lease of these properties. During the first 15 year term, the State cannot sell the

property without giving the City of Norman first right of refusal and the State has to sell all of the property. The state is currently trying to sell some of their property in Norman. "We've got a second offer that we are getting ready to send them on Friday that addresses Griffin and Sutton. We've got our own appraisals; we're negotiating actively and I'm hoping we'll get a better response than we did in 2015, 2016, 2017, and 2018. We've got some other ways we can help them redevelop Griffin Hospital if that's what they want to do. We can partner for zoning and things like that, that will give us some assurance that it redevelops the way the City wants it to, but also entitle that land to make it more valuable for selling. We're working through that. What they've told us and really complicates it, on the Griffin Hospital piece, is they aren't going to be prepared to vacate the space for three years. And so how do you sell land to someone and say, 'we're going to lease it from you for free or \$1/year for the next three years, but don't reduce the value'? That's kind of where things are right now. It's very evident that they want to sell the property, they want to move forward, but we're trying to work through those hurdles," Walker said.

According to Walker, the State of Oklahoma desires to relocate Griffin Hospital but has a funding gap of \$48-\$52 million that is preventing them from relocating. Walker stated that, "Any ARPA (American Rescue Plan Act) funds would need to be appropriated by 2024 and spent by 2026."

Anthony Francisco stated, "Every effort is being made to ensure that the City will not give up ownership and/or control of the Griffin soccer land and Sutton Wilderness."

7. Establishment of future meeting time(s)

The Board determined that the next Norman Forward Sales Tax Citizen Financial Oversight Board Meeting would be September 15, 2023 at 3:30 PM. The Board will gather at the Young Family Athletic Center (YFAC), located at 2501 Conference Dr., Norman to conduct their meeting and take a tour the YFAC.

8. Tour of Adult Wellness and Education Center

Jason Olsen gave the Board a guided tour of the Adult Wellness and Education Center. Olsen answered questions and provided insight into the facility's layout and design.

ADJOURNMENT

Member Simpson made a motion to adjourn the meeting which was duly seconded by Member Sherrer. The motion passed unanimously. The meeting adjourned at approximately 4:45 PM.

Andy Rieger, Chair
Norman Forward Sales Tax Citizen Financial Oversight Board