



CITY OF NORMAN, OK CITY COUNCIL STUDY SESSION MEETING

**Municipal Building, Executive Conference Room, 201 West Gray, Norman,
OK 73069**

Tuesday, December 03, 2024 at 5:30 PM

MINUTES

The City Council Study Session of the City of Norman, Cleveland County, State of Oklahoma, met in Regular Session in the Executive Conference Room in the Municipal Building, on Tuesday, December 03, 2024 at 5:30 PM, and notice of the agenda of the meeting was posted at the Norman Municipal Building at 201 West Gray and on the City website at least 24 hours prior to the beginning of the meeting.

CALL TO ORDER

PRESENT

Mayor Larry Heikkila
Councilmember Ward 1 Austin Ball
Councilmember Ward 3 Bree Montoya
Councilmember Ward 4 Helen Grant
Councilmember Ward 5 Michael Nash
Councilmember Ward 6 Joshua Hinkle
Councilmember Ward 7 Stephen Holman
Councilmember Ward 8 Scott Dixon

ABSENT

Councilmember Ward 2 Matthew Peacock

AGENDA ITEMS

1. DISCUSSION REGARDING THE INTERNAL AUDIT CHARTER AND TRI-ANNUAL AUDIT.

Ms. Shaakira Calnick, Internal Auditor, provided an overview of the proposed Internal Audit Charter, outlining its purpose, mandate, authority, and reporting responsibilities. She emphasized that the charter is designed to strengthen the City of Norman's governance and accountability framework by ensuring independent, risk-based, and objective assurance to both Council and management.

Key points included:

Item 1, continued:

- **Purpose of the Charter:**

- To define the authority, responsibilities, and reporting relationships of the Office of the City Auditor.
- To ensure independent evaluation of internal controls, safeguarding of assets, compliance with laws and policies, and achievement of City objectives.
- To provide Council and management with assurance and advice to protect and sustain the City's value.

- **Commitment to Standards:**

- The Office of the City Auditor will adhere to the Institute of Internal Auditors' International Professional Practices Framework (IPPF), including the Code of Ethics and International Standards.
- A Quality Assurance and Improvement Program (QAIP) will be used to assess and confirm conformance with these standards, with periodic reporting to Council.

- **Mandate and Authority:**

- Authority derived from Article V, Section 3, of the City Charter.
- Provides for unrestricted access to City Council and the Finance Committee, including in private sessions without management present.
- Grants authority to access all records, functions, and personnel relevant to audit engagements.

- **Independence and Reporting Relationships:**

- The City Auditor will report functionally to City Council and the Finance Committee, and administratively to the City Manager.
- Independence will be reviewed annually, with any interference or limitations reported to Council.

- **Council Oversight Role:**

- Council approves the audit charter, triennial risk-based audit plan, and annual updates.
- Council reviews the City Auditor's performance, budget, and QAIP results.
- Council may hold private discussions with the City Auditor as needed.

- **Roles and Responsibilities:**

- The City Auditor is responsible for preparing a triennial risk-based audit plan, conducting assurance and advisory engagements, monitoring corrective actions, and ensuring staff competencies.

Internal auditors must maintain independence and objectivity, and follow ethical standards of integrity, objectivity, competence, and confidentiality.

Item 1, continued:

- **Scope of Services:**

- The audit scope covers all City operations, programs, contracts, grants, functions, and personnel.
- Internal audit engagements will examine compliance, efficiency, effectiveness, and ethical conduct of operations.

- **Fraud Oversight:**

- City employees are required to report suspected fraud or misuse of public funds.
- Reports may be made directly to the Office of the City Auditor or through the City's Fraud Hotline.

Council Discussion:

Councilmembers expressed support for the clarity and comprehensiveness of the Internal Audit Charter. Questions were raised regarding:

- How independence will be safeguarded if conflicts arise with management.
- The reporting process for fraud investigations and how results are communicated to Council.
- The timeline for review and approval of the triennial audit plan.

Ms. Calnick clarified that any interference in audit processes would be disclosed directly to Council and the Finance Committee, and safeguards are outlined in the charter. She also noted that external assessments will be conducted every three years through the Association for Local Government Auditors (ALGA).

Council agreed that the Internal Audit Charter is comprehensive and aligned with best practices in government auditing. There was consensus to move forward with consideration of adoption, subject to any final legal and administrative review. Council agreed that Ms. Calnick shall make her schedule available to the Audit Committee Chair.

2. DISCUSSION REGARDING THE DECLARATION OF A TEMPORARY MORATORIUM ON THE ISSUANCE OF PERMIT FOR LARGE CONSTRUCTION PROJECTS.

Councilmember Nash presented a PowerPoint outlining concerns with the City's existing permitting framework for major development projects. He emphasized that while current permitting processes address smaller projects adequately, they lack sufficient safeguards for large-scale projects with widespread impacts.

Key points included:

Item 2, continued:

- **Purpose of Permitting:** Protect safety, health, zoning compliance, environmental integrity, and overall quality of life.
- **Identified Gap:** Current expectations are inadequate for projects of massive scale that significantly affect residents.
- **Primary Concern:** The lack of comprehensive impact analyses, objective reasoning, opportunities for public review, and meaningful stakeholder engagement for large projects such as the Access Oklahoma turnpike expansion.
- **Proposal:** Establish a new ordinance creating a "Large Project" category, triggering enhanced requirements, including Environmental Assessments (EA) and Environmental Impact Statements (EIS), modeled after standards in NEPA and CEQA.
- **Qualifying Criteria for a Large Project:** Projects would be categorized as "large" if they meet at least three criteria, such as:
 - Covering 640+ acres within city limits,
 - Covering 100+ acres within the Lake Thunderbird watershed or FEMA floodplain,
 - Crossing impaired streams or creeks,
 - Requiring eminent domain on 20+ properties or 10+ primary homes,
 - Having cumulative costs of \$500 million or more,
 - Involving major transportation corridors or other significant regional infrastructure.
- **Intent:** Require transparent, objective, and thorough environmental review before issuing stormwater, floodplain, or earth change permits for such projects.

Councilmember Nash clarified the ordinance is not about halting projects such as the turnpike, but rather about ensuring accountability and protecting Norman residents through robust environmental review standards.

Council Discussion:

- Councilmember Ball expressed support for requiring environmental studies, suggesting that developers could be required to conduct them or fund City-led studies.
- Mr. Darrel Pyle, City Manager, indicated that resources could be allocated from the General Fund to support environmental review.
- Councilmember Dixon inquired whether adopting such requirements could provide leverage or benefit in potential litigation.
- Councilmember Holman voiced opposition to a temporary moratorium, but supported enhancing environmental controls and requiring additional study.
- Mayor Heikkila supported the idea of creating a fund to support studies, but did not support the moratorium, believing it unnecessary.
- Councilmember Grant questioned whether the proposed requirements would duplicate existing state or federal mandates. She did not support the moratorium.

Item 2, continued:

There was no consensus to support a temporary moratorium on permits for large projects. However, the Council generally agreed that further environmental protections and study requirements should be developed. Several members supported pursuing mechanisms to require or fund environmental studies, while others emphasized avoiding redundancy with existing regulations.

ADJOURNMENT

The meeting was adjourned at 7:39 p.m.

ATTEST:

City Clerk

Mayor