



CITY OF NORMAN, OK
CITY COUNCIL FINANCE COMMITTEE MEETING
Municipal Building, Council Chambers, 201 West Gray, Norman, OK 73069
Thursday, November 16, 2023 at 4:00 PM

MINUTES

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CALL TO ORDER

PRESENT

Mayor Larry Heikkila
Councilmember Ward 3 Bree Montoya

ABSENT

Councilmember Ward 6 Elizabeth Foreman

OTHERS

Councilmember Helen Grant
Councilmember Stephen Holman
Councilmember Michael Nash
Councilmember Lauren Schueler
Anthony Francisco, Director of Finance
Clint Mercer, Chief Accountant
Kim Coffman, Budget Manager
Jacob Huckabaa, Budget Technician
Dannielle Risenhoover, Admin. Tech IV
Shawn O'Leary, Director of Public Works
Darrel Pyle, City Manager
Kathryn Walker, City Attorney
Chris Mattingly, Director of Utilities
Scott Sturtz, City Engineer
Kirsty Morrison, Forvis
Joel Haaser, Forvis
Libby Smith, Rieger Law Group
Gunner Joyce, Rieger Law Group
Olivia McCourry, Norman Transcript

Mayor Heikkila called the meeting to order at approximately 4:00 PM.

AGENDA ITEMS

1. DISCUSSION REGARDING THE PRELIMINARY FYE 2023 CITY OF NORMAN AUDIT.

Anthony Francisco stated that the City of Norman is in the audit process for the fiscal year that ended June 30, 2023. The auditors almost have the field work completed and their bound document should be presented to Council by December 12.

Joel Haaser, partner with the auditing firm Forvis, stated, "We don't have any significant findings or anything like that to discuss which is what we usually do at these meetings. Clean, unmodified opinions are expected and really we have no significant deficiencies or material weaknesses that we would be required to report to you."

Haaser addressed public-private partnerships as there were previous questions during the Committee's last meeting surrounding this and the City of Norman's contract with the Pioneer Library System. Haaser reviewed the City of Norman's agreements with the City libraries. "A lot of times, what triggers the accounting for a public-private partnership is - there's a large exchange of money. With the libraries, there's not; it's more of a lease type arrangement. So, I don't see an issue there."

Councilmember Montoya asked Haaser, "What was the planning materiality?" Haaser replied, "We don't disclose the planning materiality numbers. We don't announce that because we don't want things to go below that amount. We don't typically make it public."

Francisco reminded the Committee that under law, the City is required to have an audit committee and the City Council Finance Committee acts as the City's audit committee.

2. DISCUSSION REGARDING RELEASE OF THE CENTER CITY TAX INCREMENT FINANCE FUNDS FOR INFRASTRUCTURE IMPROVEMENTS IN THE CENTER CITY AREA.

Francisco stated, "We have a Center City TIF fund that has been generating revenues. The projects that are identified for the Center City fund are basically for infrastructure projects to support development in the City Center area." Francisco opened the floor for discussion about projects that the Committee might like to see accomplished with the use of these funds. There are \$2.75 million in the Center City TIF Fund balance.

Mayor Heikkila asked Public Works Director, Shawn O'Leary, "What would you want to use these funds for?"

O'Leary responded, "Mostly alleys. We're getting requests from areas where the 'mini-dorms' are going up and lots of traffic and lots of issues in there and these development projects aren't required to improve the alleys. We have lots of additional traffic and storm water issues in the alleys. That's the feedback we're getting mostly from the residents and the district. 'When are you gonna improve our alley?' And there is no funding available for that. That would probably

be the top priority. The real question is, are we ready to start to prioritize some of these projects based on the Johnson and Associates study?" It was noted that this is not how projects were envisioned to come forward - rather than block by block, it has been parcel by parcel.

The Urban Design and Implementation Plan will be on the City Council agenda for review on November 28, 2023. The concepts in this plan will be accompanied with recommendations on how to phase these projects into motion and it will provide cost estimates as well.

"We are just looking for direction. Are you ready to start to plan and implement some of these (projects) based upon the Urban Plan or the requests from developers and others?" O'Leary said. He also confirmed that citizen repair requests, the budget, and Councilmember approval will guide the completion of the projects. Financing for these projects can come from different Council approved funds.

Councilmember Holman indicated that he would be interested in addressing burying above ground power lines, where feasible, during completion of the improvement projects. "I'm interested in exploring that more for sure," Holman said.

Councilmember Grant said, "I don't know that I would want to go that route because it's OG&E's infrastructure. I would be fine if it was like, lighting that the City owned, but I think that needs to be negotiation between OG&E and the developer. I would prefer to keep it to the scope of public infrastructure."

Councilmember Scheuler said, "I think this is another opportunity for us to potentially partner with OG&E to, in my mind, do the right thing and to also upgrade their infrastructure. This is an upgrade ultimately to their grid when they put things underground and this is the conversation we've been having for a number of years with them. My concern with adding that kind of scope into this project is that it will blow the budget. Yes, I want the power lines buried too, but I'm just concerned that it takes too much out of the TIF funding; but, I think there are opportunities for negotiations."

City Manager, Darrel Pyle, stated that OG&E has done an assessment on what their infrastructure would look like underground in the downtown Norman area. Pyle has contacted OG&E for a report on what their assessment revealed.

Councilmember Scheuler replied, "They (OG&E) are still trying to pass a franchise agreement and I know that it's going to go back up on the ballot. They haven't substantially changed anything about what they were proposing last year. Again, more opportunities for them to show good faith effort to upgrade infrastructure in things that this community wants and doing it before an election is probably a good idea."

Councilmember Holman said, "I agree with working out an agreement, negotiation, with OG&E. My intent isn't that we would pay for burying the utility lines for the whole area. Just making it something that a developer could request and especially because the TIF revenue is being generated by the development of those properties."

City Attorney, Kathryn Walker, stated that Council adopted a policy guide when this TIF was established. Walker will email that policy to the Committee. She stated that the policy talks about how applications for assistance need to happen.

3. DISCUSSION REGARDING MONTHLY REVENUE AND EXPENDITURE REPORTS. Anthony Francisco gave the report. He highlighted the New Development Excise Tax Fund. Francisco stated, "There are two different types of revenue that come into the New Development Excise Tax fund - one is residential, one is commercial. Basically, whenever a permit is given to build, they have to pay a formula-based excise tax for those permits. We are right on target for the residential for this fiscal year and about 41% above last fiscal year. We've generated about \$356,000 in residential excise tax this fiscal year but only about \$51,000 of commercial." Francisco says that commercial excise tax revenue is "very volatile" as some months bring no commercial permits and other months bring significant permits. "The Excise Tax Fund really is a proxy for development in Norman and how we're doing," said Francisco. "We're about 10% below our budget as a whole. These revenues can only be used to expand and make improvements to the sewer system."

ADJOURNMENT

Mayor Heikkila adjourned the meeting at 4:50 PM.

ATTEST:

City Clerk

Mayor