



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 10/25/2022

REQUESTER: Kimberly Coffman, Budget Manager

PRESENTER: Anthony Francisco, Director of Finance

ITEM TITLE: CONSIDERATION OF ADOPTION, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF RESOLUTION R-2223-43: A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, APPROPRIATING \$571,703 FROM THE PUBLIC SAFETY SALES TAX FUND BALANCE; \$3,766,466 FROM THE ROOM TAX FUND BALANCE; \$518 FROM THE SEIZURE AND RESTITUTION FUND BALANCE; \$2,551,784 FROM THE PUBLIC TRANSPORTATION FUND BALANCE; \$301,648 FROM THE WESTWOOD FUND BALANCE; \$109,484 FROM THE SANITATION FUND BALANCE; \$2,088,927 FROM THE RISK MANAGEMENT FUND BALANCE; \$370,688 FROM THE UNIVERSITY NORTH PARK TAX INCREMENT FINANCE FUND BALANCE; AND \$100,040 FROM THE DEBT SERVICE FUND BALANCE TO CLOSE OUT YEAR END ACCOUNTING ENTRIES FOR FYE 2022.

BACKGROUND:

At the end of each fiscal year (June 30), the Finance Department posts all year-end accounting entries. In order to help with this process, some division's categories of expenses require a transfer to cover negative balances in line-item accounts. Oklahoma statutes require that each fund be balanced at the "object" category of expenditures, which include: salaries and benefits; materials and supplies; services and maintenance; and capital equipment ("capital outlay"). City of Norman policy requires the City Manager's approval for transfers within a City fund, or of funds between departments; from salary and benefit category accounts; and transfers from operating accounts to capital equipment accounts. The City Manager has already approved needed year-end transfers under his authority on recommendation from Finance Department staff (see attached memorandum). In some cases, however, some expenses cannot be covered from available allocations within the same fund and require an appropriation of fund balance. Oklahoma Statutes require that all appropriations of fund balance be approved by the City Council (governing body).

DISCUSSION:

At fiscal year-end (FYE) 2022, nine funds lacked the needed funds within existing appropriations to cover expenses made during the year, for varying reasons. These include the Public Safety

Sales Tax Fund; the Room Tax Fund; the Seizures & Restitution Fund; the Public Transportation Fund; the Westwood Fund; the Sanitation Fund; the Risk Management Fund; the University North Park Tax Increment Finance District Fund; and the Debt Service Fund. Adequate fund balance exists in these funds to cover the recommended appropriations.

In the Public Safety Sales Tax Fund, an additional \$571,703 needs to be appropriated to cover higher than anticipated salary and overtime expenditures.

In the Room Tax Fund, an additional \$3,766,466 needs to be appropriated from bond proceeds to cover a transfer of these revenues to the Norman Forward Fund, due to debt that was issued and secured by Room Tax revenue, to help fund the Young Family Athletic Center.

In the Seizures & Restitution Fund, an additional \$518 needs to be appropriated to cover bank service fees.

In the Public Transportation Fund, an additional \$2,551,784 needs to be appropriated to cover reimbursement transfers to the General Fund.

In the Westwood Fund, an additional \$301,648 needs to be appropriated to cover higher than anticipated utility and salary expenditures.

In the Sanitation Fund, an additional \$109,484 needs to be appropriated to cover higher than anticipated overtime costs.

In the Risk Management Fund, an additional \$2,088,927 needs to be appropriated to cover higher than anticipated health claim payments.

In the University North Park Tax Increment Finance District Fund, an additional \$370,688 needs to be appropriated to cover transfers to the Norman Forward Fund for the Young Family Athletic Center.

In the Debt Service Fund, an additional \$100,040 needs to be appropriated to cover higher than anticipated interest expenditures.

RECOMMENDATION:

Staff recommends the following appropriations and transfers be approved:

\$571,703 from Public Safety Sales Tax Fund Balance (account number 15-29000) to Salaries- Full Time - (account number 15661322-42001).

\$3,766,466 from Room Tax Fund Balance (account number 23-29000) to Interfund Transfer – Norman Forward (account number 23930194-48051).

\$518 from Seizures & Restitution Fund Balance (account number 25-29000) to Miscellaneous Services – Bank Service Fees (account number 25660138-44750).

\$2,551,784 from Public Transportation Fund Balance (account number 27-29000) to

Interfund Transfer – To General Fund (account number 27930194-48010).

\$301,648 from Westwood Fund Balance (account number 29-29000) to Utility Services - Water (account number 29970231-44341).

\$109,484 from Sanitation Fund Balance (account number 33-29000) to Other Salary - Overtime (account number 33955161-42110).

\$2,088,927 from Risk Management Fund Balance (account number 43-29000) to Self-Insurance – Health Claim Payments (account number 43330105-44420).

\$370,688 from University North Park Tax Increment Finance District Fund Balance (account number 57-29000) to Interfund Transfer – Norman Forward Fund (account number 57930194-48051).

\$100,040 from Debt Service Fund Balance (account number 60-29000) to Debt Service – Interest – GO Bonds (account number 60930149-47101).