



CITY OF NORMAN, OK
CITY COUNCIL FINANCE COMMITTEE MEETING
Municipal Building, Executive Conference Room, 201 West Gray, Norman,
OK 73069
Thursday, August 15, 2024 at 4:00 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 405-366-5424, Relay Service: 711. To better serve you, five (5) business days' advance notice is preferred.

CALL TO ORDER

PRESENT

Mayor Larry Heikkila

ABSENT

Councilmember Ward 6 Joshua Hinkle

Councilmember Ward 3 Bree Montoya

OTHERS

Councilmember Ward 4 Helen Grant

Councilmember Ward 5 Michael Nash

Councilmember Ward 8 Scott Dixon

Anthony Francisco, Director of Finance

Jacob Huckabaa, Budget Technician

Kim Coffman, Budget Manager

Dannielle Risenhoover, Admin. Tech IV

Shaakira Calnick, Internal Auditor

Rick Knighton, Interim City Attorney

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

AGENDA ITEMS

1. DISCUSSION REGARDING MONTHLY REVENUE AND EXPENDITURE REPORTS.

Anthony Francisco gave the report. Francisco stated that sales tax is down 1.32% for the month of August, leading to revenue being 2.74% below the fiscal year target. "It will be a growing concern if we continue on this trend," Francisco said. Use tax is up by approximately 11% for

the fiscal year. The cut in grocery sales tax will occur in November, “which means the first impact (on government) will be felt in January,” Francisco said. The grocery sales tax cut should affect state government only – not city government. “What they (State of Oklahoma) did was they rolled back the state rate on groceries, but they did not exempt groceries,” Francisco said. “The retailer is supposed to continue to charge the 4.625% on groceries and remit that to the cities. As I talked about in a previous Finance Committee meeting, I’m comfortable this will happen with the big retailers. My concern is with the smaller retailers who don’t have a sophisticated enough point of sale, cash registering system to separate out what the grocery sales taxes are and remit them at a different rate for city than they do for state.” No other major revenue news was reported.

Francisco clarified that the University North Park (UNP) Tax Increment Finance (TIF) Fund is for the original 2006 TIF Project Plan that was amended in 2019. “There is this misnomer out there that the University North Park TIF ended in 2019 and that is false,” Francisco said. “The University North Park TIF Fund is alive and well. There is an Oversight Committee that meets monthly, or as needed, related to projects that are ongoing or proposed in University North Park and they have authority to make recommendations to Council, related to the various projects and incentives that are included in that Project Plan from 2019.”

About three months ago, the developer of the UNP Lifestyle Center area requested approximately \$3 million of incentive funds for infrastructural improvements to the UNP area. His request was denied; however, he recently renewed his request but for approximately \$5 million. The developer states that this is what is being spent on on-site infrastructure improvements to support Brockhaus Jewelry, PF Chang’s, and the Main Event. The question before the Oversight Committee and ultimately, the City Manager is now: ‘Does construction of the Main Event justify the release of incentive funds?’ Francisco confirmed that the incentive funds are available. Under the 2019 Project Plan there was a requirement that the City set aside UNP TIF funds in a custodial account. In this fund there are \$3.8 million in the Traffic and Roadway Improvement Account; the Town Center Incentive Account has approximately \$5.4 million; and the Economic Development Incentive Account has approximately \$1.1 million. These funds are waiting to be designated for an approved project.

Items for the record:

Monthly Financial Reports

2. INTERNAL AUDIT PROGRAMS UPDATE.

Shaakira Calnick gave the report. Calnick is seeking approval of the internal audit policies and procedures and is working with the City Clerk’s office to get the internal audit, internal charter, and the resolution on the City Council’s Study Session agenda.

The risk assessments for City departments are still being completed. The assessments not completed are for the following departments: Parks and Recreation, Utilities, Planning, Municipal Court, City Clerk, and City Manager. Calnick anticipates that the assessments will be completed and the Triennial Audit Plan draft will be available in September 2024. Calnick states that from the information gathered so far, there is a theme in all departments that they are “lean staffed”. “This reoccurring theme led me to review the overtime of the City. The available budget is now negative. We are negative over \$3 million in the overtime budget; so, I’m seeking approval to review overtime to a more detailed perspective only to ascertain how many positions we could hire with that \$3 million that is used in overtime expense,” Calnick said.

Development of the internal audit webpage is in progress. It will provide public access to the Triennial Audit Plan, the Annual Reports, the Internal Audit Charter, Audit Reports and a link to government auditing standards.

ADJOURNMENT

Mayor Heikkila adjourned the meeting at approximately 4:30 PM.

ATTEST:

City Clerk

Mayor