



CITY OF NORMAN, OK
CITY COUNCIL FINANCE COMMITTEE MEETING
Municipal Building, Executive Conference Room, 201 West Gray, Norman,
OK 73069
Thursday, May 16, 2024 at 4:00 PM

MINUTES

The City Council Finance Committee of the City of Norman, Cleveland County, State of Oklahoma, met in Regular Session in the Executive Conference Room at the Municipal Building, on the 16th day of May, 2024, at 4:00 p.m., 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 3 Bree Montoya

ABSENT

Councilmember Ward 6 Elizabeth Foreman

OTHERS

Councilmember Ward 4 Helen Grant
Councilmember Ward 5 Michael Nash
Councilmember Ward 7 Stephen Holman
Anthony Francisco, Director of Finance
Jacob Huckabaa, Budget Technician
Kim Coffman, Budget Manager
Dannielle Risenhoover, Admin. Tech IV
Kathryn Walker, City Attorney
Shaakira Calnick, Internal Auditor
Major Brent Barbour, NPD
Brenda Hall, City Clerk
Scott Sturtz, City Engineer
Jason Olsen, Director of Parks & Recreation
Jane Hudson, Director of Planning
Anthony Purinton, Assistant City Attorney
Rick Knighton, Assistant City Attorney
Tim Powers, Director of Information Technology

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

AGENDA ITEMS

1. DISCUSSION REGARDING THE FYE 2024-2025 CITY OF NORMAN BUDGET

Kim Coffman gave the report. Coffman relayed the following Fiscal Year End (FYE) 2025 proposed budget amendments to the Committee:

- Reduce Business Improvement District (BID) assessment revenue in the University North Park Tax Increment Finance Fund by \$200,000.
- Reduce capital project allocation in the Capital Fund by \$204,995 to remove Traffic project TR0108 - 36th Ave NW & Tecumseh Road due to error.
- Increase allocations to Information Technology in the General Fund by \$233,000 for annual maintenance cost increases on Rapid 7 software, VMWare Virtualization software, and all other City software.
- Increase allocations to the Transit and Parking Fund by \$630,588 to fund year two of the micro-transit program.
- Increase capital project allocations in the Capital Fund by \$968,883 for storm water project DR0062 CONST to replace funds transferred to the Emergency Communications Operations Center (ECOC) project in FYE 24.
- Possible reduction in sewer fee revenue in the Water Reclamation Fund.

Anthony Francisco said, "Just know that these are things that have been suggested. They don't necessarily have to come forward; and if they come forward, they don't necessarily have to be approved."

Councilmember Holman suggested that the Community Planning & Transportation Committee (CPTC) discuss the proposed budget increase for the micro-transit program before moving forward with that proposed budget allocation.

Mayor Heikkila questioned the reduction in the sewer fee revenue. Francisco explained that the Director of Utilities believes that the projected increase isn't realistic.

Councilmember Montoya asked for more information regarding the American Rescue Plan Act (ARPA) funds transferred to the ECOC project. Coffman replied, "The ECOC needed the \$968,000 for their storage facility now. It was an eligible use of the ARPA funds. The ARPA funds recall, they have an obligation deadline and then a spending deadline. We were assured that we could spend those funds on the ECOC now; we weren't sure we would spend them all by the December 2026 deadline with the other project; so, we transferred them (the funds) to the ECOC and we need to, of course, replenish that transfer."

Director of Information Technology, Tim Powers, clarified that "Rapid 7" is a cyber-security scanning software.

Councilmember Holman notified the Committee that "Jazz in June" contacted him and Councilmember Grant, making a late request for funding from the City. They would like \$20,000. Anthony Francisco stated that in the past, the City has not been a direct sponsor of Jazz in June, but that Jazz in June does receive funds from the Arts Council, who receives hotel-motel tax from the City. "I'd like to discuss it but I think it'd be fair if they submitted the documentation that we've asked of other entities," Councilmember Grant said. Councilmember Montoya stated, "Besides the traditional ones (recipients), I am going to have an issue with giving any General Fund dollars to the non-profit arts organizations that get hotel-motel funds." The discussion concluded after Mayor Heikkila said, "it's ours to figure out if we want to pony into the pot and my answer would be no."

Fee increases

Anthony Francisco reminded the Committee about their request for the review of on-going public fees. "Councilmember Grant suggested three areas that we review and perhaps increase fees. One being the noise variance fee, one being the short-term rental fee, and one being the fee for scooters," Francisco said. Any of these fee changes could result in ordinance changes. City of Norman staff is reviewing these fees. These fees or fee changes do not need to be reflected in the City's budget.

2. DISCUSSION REGARDING MONTHLY REVENUE AND EXPENDITURE REPORTS.

Anthony Francisco gave the report. Francisco stated that sales tax for May is down about 2%; but for the year, it's down about 0.4%. "Again, we're flat, but we're flat at a high level, as pictured in your budget document. I won't say that we're not concerned, but we will continue to monitor," Francisco said. "Even though the use tax is growing more rapidly, it's a relatively small revenue source compared to sales tax. It's a good chunk of money; but, it's sales tax that drives the boat."

The State of Oklahoma is currently undergoing their budget discussions for this legislative session. "We're thinking that there will be something that comes out of this related to Griffin (land sale/purchase), but we don't know what that is yet," City Attorney Katheryn Walker said. "We do believe that the state recognizes that their appraisals are probably not where they thought they were in terms of actual value of selling that property, so we hope to get some movement there. We just don't know what the timeline is." A GO Bond could be used for the purchase of Griffin Park and Sutton Wilderness; however, that would take a vote of the people. A Revenue Bond is also a potential source of funding for the purchase of these properties.

Outside counsel has been hired to represent the City in regards to the mold damage at the Central Library. No official litigation has been initiated. Francisco reminded Council of his appointed task to find the funds to get the Library open and operational as soon as possible. He asked that Council keep him apprised as to "how much money is too much" before the repairs need to wait for any legal settlement. Walker stated, "That's really our next step - to get a better handle on what that number might be." The City's insurance policy does not cover mold remediation.

3. INTERNAL AUDIT PROGRAMS STATUS.

Shaakira Calnick gave the report. A draft audit report for contract case K-2223-56 will be given to Council on Tuesday. Once Council reviews and agrees with the audit recommendations, the report will be made public. Risk assessments are underway for all 13 City departments. Calnick

will be meeting with department directors for their input on the risk assessments. This should yield a triennial audit plan that includes annual updates.

ADJOURNMENT

Mayor Heikkila adjourned the meeting at approximately 4:55 PM.

ATTEST:

City Clerk

Mayor