



CITY OF NORMAN, OK
CITY COUNCIL FINANCE COMMITTEE MEETING
Municipal Building, Council Chambers, 201 West Gray, Norman, OK 73069
Thursday, December 21, 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 Lauren Schueler
Anthony Francisco, Director of Finance
Shawn O'Leary, Director of Public Works
Kathryn Walker, City Attorney
Chris Mattingly, Director of Utilities
Scott Sturtz, City Engineer
Major Chad Vincent, Norman Police Dept.
Shaakira Calnick, Internal Auditor

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

AGENDA ITEMS

1. DISCUSSION REGARDING THE INTERNAL AUDIT PROGRAM

Internal Auditor, Shaakira Calnick, announced approximately 16 projects that she has slated for audit review. Some of the projects include proper use of IntelliTime, travel card policies, fleet expenses, contract compliance, hiring processes, Public Safety Sales Tax compliance, University North Park TIF compliance, and Norman Forward compliance. Calnick said that it

would be up to the Audit Committee which projects were addressed first and that she would like to look at a tri-annual, risk based audit plan due to the length of time it takes to do a thorough audit. Calnick stated, "The Audit Committee shall consist of five voting members, two Councilmembers and three at large members who shall be appointed by the City Council. The three at large members shall be residents of the City of Norman with expertise in auditing, preferably performance auditing as well as financial auditing. Minimal professional standards shall include at least five years of experience as a performance auditor, a certified public accountant, certified internal auditor, certified management accountant, or ten years of other relevant, professional experience." Anthony Francisco stated, "We had anticipated that this Finance/Audit Committee would be the Audit Committee, now if you wanted to form a separate Audit Committee that would be up to the Mayor and Council." Councilmember Schueler stated that it would be a benefit to discuss the make-up of the Audit Committee with the Oversight Committee and that she would get this on the Oversight Committee's next agenda.

2. DISCUSSION REGARDING MONTHLY REVENUE AND EXPENDITURE REPORTS

Anthony Francisco gave the report. He brought up the record stock market returns from recent weeks highlighting that the City invests in the Municipal Bond and Treasury Bond market. "It is kind of unusual for the bond market to move with the stock market," Francisco said. "This has been a real good market for Municipal Bonds and the Treasury market as well and that's reflected in the investment returns that you see in these revenue reports." The General Fund is 181% above the budgeted target for investment returns, making it 250% above last year's target. The Capital Fund is 594% above last year's target. The Room Tax Fund is 1117% above budget for investment returns. "It's been a very good market and it's reflected in these investment returns," Francisco said.

In looking at the budget line items, Councilmember Holman asked about "Services and Maintenance" being down -34.66% indicating that the City had not spent \$981,000 that was budgeted. Francisco stated that that was a reflection of the emergency reserve, "You're going to start to see some expenditures there because we're paying for the repairs to the library out of that emergency reserve budget. It's a 1% emergency allocation that Council does in each budget. It's mandated by the Rainy Day Fund Ordinance. We always hope that we don't have to spend it."

Councilmember Holman also asked, "How much of an increase have we seen since voters approved the increase in the hotel/motel tax?" Francisco replied, "We're right on budget for the room tax. Where we were just algebraically increasing the amount that we would bring in from the room tax related to the tax increase that has followed on those projections - at least so far."

Councilmember Grant said, "In regards to the Rainy Day Fund that paid for the repairs to the library, do we expect to get all of that back?" Francisco replied, "We do expect to get all or some of that back but it will probably be years of litigation before we do. So we're up fronting those expenditures trying to get the library repaired and back open as quickly as we can, and then let the litigation play itself out. It may be against the architect, it may be against the subcontractor or the main contractor; we'll see how those things play out." City Attorney Kathryn Walker added, "Or maybe they will work with us without litigation. That's the hope. We're still trying to identify the root cause."

With the budget process for FY25 approaching, Francisco told Councilmembers, "It's never a bad time for us (staff) to cost out things that you might want to do, if you want to pave a street or do a sidewalk in this neighborhood, that sort of thing. We will refer that to the Public Works

Department to say how much that would cost and then staff can start to prepare a budget request, prioritize them for Council consideration as we move along in the budget process."

ADJOURNMENT

Mayor Heikkila adjourned the meeting at approximately 4:45 PM.

ATTEST:

City Clerk

Mayor