



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 08/08/2023

REQUESTER: Anthony Francisco, Director of Finance

PRESENTER: Anthony Francisco, Director of Finance

ITEM TITLE: CONDUCTING AND CLOSING A PUBLIC HEARING FOR CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AMENDMENT AND/OR POSTPONEMENT OF AN AMENDMENT TO THE ADOPTED FISCAL YEAR 2023-2024 CITY OF NORMAN AND NORMAN UTILITIES AUTHORITY OPERATING BUDGETS; CREATING AN ATHLETIC FACILITY SPECIAL REVENUE FUND; AND APPROPRIATING ANTICIPATED REVENUE.

BACKGROUND:

Construction on one of the “crown jewels” of the NORMAN FORWARD quality of life program, the Young Family Athletic Center (YFAC) is nearing completion. Quoting from the NORMAN FORWARD Implementation Plan accepted by the City Council in March, 2023, “the combined Indoor Multi-Sport and Aquatic Center will be named the “Young Family Athletic Center” after Norman native, NBA All-Star and University of Oklahoma alumnus Trae Young. The aquatic portion of the building will feature two pools: an 8-lane, 25-meter competition pool with spectator seating and a 4-lane, 25 meter pool used as a warm-up pool during competitions. The Multi-Sport (gymnasiums) portion of the building will each house 8 basketball courts or 12 volleyball courts. Norman Regional Health System is developing the “NMotion” space, which will serve as a sports and human performance center and physician clinic. Other YFAC amenities include concessions, a small retail space, administrative offices, tournament and team breakout rooms, public restrooms, and other support areas.”

On February 9, 2021, the Council approved Contract K-2021-93, a Memorandum of Understanding with Santa Fe Family Life Centers, for the third-party operation of the YFAC, and directing staff to negotiate terms of a final operating contract. Negotiations between City staff and Santa Fe did not result in a final operational contract.

On June 13, 2023, the voters of Norman approved an increased water rate structure for customers of the Norman Utilities Authority, effective in September, 2023. This voter approval came after the adoption of the fiscal year 2023-24 budget.

DISCUSSION:

As discussed by the City Council in the July 25, 2023 Study Session, and by the NORMAN FORWARD Citizen's Financial Oversight Board (CFOB) at the July 18, 2023 CFOB meeting, it has been decided that the YFAC can be more efficiently and effectively operated by staff of the City's Park and Recreation Department. In order to implement this operation to coincide with the opening of the facility in late 2023, major amendments to the City's fiscal year 2023-2024 operating budget are required. These amendments include allocating estimated revenues from the operations of the facility and estimated expenses for additional full and part-time staffing, supplies and materials and capital outlays.

Related to the water rate increase, estimated capital project expenditures were included in the fiscal year 2023-2024 Water Utility Department budget, but estimated revenues were not. Estimated revenues of \$3,000,000 for the remainder of FYE 24 are proposed to be included in the amended budget.

The proposed amendments to the Parks and Recreation Department and Water Utility Department budget are summarized on the attachment.