CITY OF NORMAN, OK
CITY COUNCIL FINANCE COMMITTEE MEETING

Municipal Building, Executive Conference Room, 201 West Gray, Norman, OK 73069
Wednesday, June 18, 2025 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 in the Municipal Building, on Wednesday, June 18, 2025 at 4:00 PM, 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
Councilmember Ward 6 Joshua Hinkle

ABSENT
Councilmember Ward 4 Helen Grant

OTHERS
Councilmember Ward 8 Scott Dixon
Anthony Francisco, Director of Finance
Anthony Purinton, Asst. City Attorney
Brenda Hall, City Clerk
Clint Mercer, Chief Accountant
Chris Mattingly, Director of Utilities
Dannielle Risenhoover, Admin. Tech IV
Darrel Pyle, City Manager
Jacob Huckabaa, Budget Technician
Jason Murphy, PW Storm Water Manager
Jason Olsen, Director of Parks & Recreation
Jeanne Snider, Asst. City Attorney
Kim Coffman, Budget Manager
Rick Knighton, City Attorney
Scott Sturtz, Director of Public Works
Shaakira Calnick, Internal Auditor

AGENDA ITEMS

1. UPDATE ON SHORT TERM RENTALS IN NORMAN.

Assistant City Attorney Jeanne Snider gave the update. There are approximately 390 short-term rentals in Norman. Short-term rentals are tracked by a software program that updates City of Norman employees, every 24 hours, of short-term rentals that have been advertised on-line for rent. Short-term rental properties are required to be registered with the City and inspected

by a City code inspector. Property owners that have not registered their Norman short-term rentals with the City or paid their occupancy taxes are contacted by City staff regarding compliance. "The annual (registration) fee is $150 plus a $50 inspection fee," Snider said. "So it's only $200 a year which is nothing. Most rentals are over $200 a night. I certainly think that we should raise that." The Ward with the most short-term rental properties is Ward 4 having approximately 200 short-term rentals followed by, Ward 3 with 20, Ward 6 with 19, and Ward 8 with 18 properties. Snider is considering proposing some changes to the short-term rental ordinance as well as proposing an increase to the licensing fee.

2. DISCUSSION REGARDING OVER TIME AUDIT.

Shaakira Calnick gave the report. Calnick reported that citywide overtime (OT) from Fiscal Year 2021–2022 (FY22) through Fiscal Year 2023–2024 (FY24) created a budget deficit of $7,498,253. During this time, four departments accounted for 95.9% of the overtime actual expenses. The departments that accounted for 95.9% of the overtime were: the Police Department, the Fire Department, the Utilities Department, and the Parks and Recreation Department. The Public Works Department had an excess of funds each year; thus, Calnick has chosen this department as her benchmark. "I had a conversation with them and what it really boils down to is culture, expectations, your internal controls and your processing to control and manage overtime," Calnick said.

Calnick summarized her key findings as the following:

- Between FY22 and FY24, four departments — Police, Fire, Utilities, and Parks & Recreation — accounted for $7.9 million ($7.9 MM) in overtime budget overruns, representing 95.9% of citywide OT overspending.
- Overtime actuals far exceeded appropriated budgets each year, with little corrective action or adjustment to baseline funding.
- Police Department alone incurred over $4.1MM in overages across three years, followed by Fire ($1.83MM), Utilities ($1.65MM), and Parks & Recreation $298,000 ($298K).
- Despite significant overruns, original budgets remained flat or decreased in key departments during the period.
- These structural overruns highlight the need for revised staffing models, improved OT forecasting, and potential labor agreement review.

Calnick specified these key findings in regard to Police Department overtime spending:

- The Patrol division is the largest driver of overtime spending across all three years, consistently exceeding allocated OT budgets by a wide margin.
- The School Resource Officer (SRO) Program also generated significant overtime expenditures despite having no dedicated OT budget, contributing to large structural overages.
- Multiple core units—including 911 Communications, Criminal Investigations, and Special Investigations—repeatedly overspent their OT budgets by $100K–$200K+ per year.

- While other divisions had smaller absolute variances, almost every operational unit showed consistent overspending against static or non-existent budget lines.

- Grant-funded or administrative units (e.g., DOT Grant, DA Enforcement) show lower volatility, with some OT contained within budget.

Calnick specified these key findings in regard to Fire Department overtime spending:

- From FY22–FY24, Fire Department overtime exceeded budget by $1.83 million, with Suppression divisions (General Fund + PSST) alone responsible for ~$1.61 million in overages.

- The Suppression PSST Fund was the highest single driver, with a 3-year total overrun of $909K, followed closely by Suppression General Fund at $702K.

- Core support divisions such as Prevention, Fire Admin, and Training also consistently exceeded their OT budgets, although at a smaller scale.

- Disaster Preparedness shows zero overtime spending or budgeting during the period.

- Budget allocations did not keep pace with actual need — in some cases remaining flat or decreasing year over year while actuals rose significantly.

Calnick specified these key findings in regard to the Utilities Department overtime spending:

- Sanitation-related divisions (e.g., Waste Disposal, Commercial & Residential Collection, Yard Waste, Compost Ops) accounted for the vast majority of overtime overages in the Utilities Department.

- Across FY22–FY24, Waste Disposal alone exceeded its OT budget by over $400K, while Residential and Commercial Collection each overran by more than $300K.

- These five divisions generated a combined overage of nearly $1.3 million, representing over 75% of the department's total OT overrun.

- Most other divisions remained within budget or showed modest, predictable overtime usage.

- Budgets remained flat for high-need areas, failing to match the operational realities of 24/7 service and coverage demands in sanitation.

Calnick specified these key findings in regard to the Parks & Recreation Department overtime spending:

- Park Maintenance and Recreation Programs/Centers are the primary drivers of OT spending across all three years, with cumulative overruns exceeding $90,000.

- OT budget allocations in these divisions have remained static or underfunded, despite repeated high actual usage year-over-year.

- Divisions such as YFAC Admin, Recreation Programs, Golf Maintenance, and Childcare also show consistent though smaller overages.

- The majority of other Parks & Rec divisions stayed close to or within their OT budgets, indicating controlled usage in lower-demand or seasonal areas.

- Lack of internal controls in high-need divisions has led to predictable overspending.

City Attorney Rick Knighton stated, "It will be really helpful when Shaakira does her analysis on the second part (of the overtime audit) which is figuring out the "why part". We will then be able to tell if we really need to change anything in our Collective Bargaining Agreement to address the issue or if there some other cause and remedy out there."

City Manager Darrel Pyle added, "As it relates to the ability to add bodies with a desired outcome to reduce overtime, there are certain drivers of overtime that, if we were successful in adding bodies, we think we could reduce some of those overtime impacts." Pyle explained how Oklahoma City Police Department can't get applicants through the hiring process quick enough to keep pace with retirements and expressed that Norman Police Department is "kinda there" as well.

"What we get out of this exercise, is the ability to put all the data on the table, face up, and work it, and figure out where we make changes to the programs going forward," Pyle said.

3. DISCUSSION REGARDING MONTHLY REVENUE AND EXPENDITURE REPORTS.

Anthony Francisco gave the report. The City is approximately 1% below its General Fund revenue budget. Francisco says that it is of concern "when our expenditures, particularly our overtime, continue to go up". Sales Tax revenues are currently 1.74% below last fiscal year's revenue. "We're flat, if you will; but we're flat at a historically high level," Francisco said. "The lines have crossed where the expenditures are outweighing the revenue." Francisco will continue to monitor this.

ADJOURNMENT

Mayor Heikkila adjourned the meeting at approximately 5:00 PM.

ATTEST:

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City Clerk Mayor