CITY OF NORMAN, OK

STAFF REPORT

MEETING DATE: 11/10/2026

REQUESTER: Jamie Vaughn, Budget Manager

PRESENTER: Clint Mercer, Director of Finance

ITEM TITLE: CONSIDERATION OF ADOPTION, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF RESOLUTION R-2627-58: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, AND THE NORMAN MUNICIPAL AUTHORITY APPROPRIATING $555,852 FROM THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND BALANCE, $1,326,151 FROM THE ROOM TAX FUND BALANCE, $34,175 FROM THE YOUNG FAMILY ATHLETIC CENTER (YFAC) FUND BALANCE, $1,472,138 FROM THE RISK MANAGEMENT FUND BALANCE, $2,573,402 FROM THE CAPITAL FUND BALANCE, $687 FROM THE NORMAN FORWARD FUND BALANCE, AND $302,384 FROM THE DEBT SERVICE FUND BALANCE, TO CLOSE OUT YEAR END ACCOUNTING ENTRIES FOR FYE 2026.

BACKGROUND:

At the end of each fiscal year (June 30), the Finance Department records all year-end accounting entries. To facilitate this process, certain expense categories within divisions occasionally require transfers to cover negative balances in specific line-item accounts.

Oklahoma Statutes require that each fund be balanced at the *object category* level of expenditures, which include:

- Salaries and Benefits
- Materials and Supplies
- Services and Maintenance
- Capital Equipment (“Capital Outlay”)

Per City of Norman policy, the City Manager’s approval is required for any transfers:

- Within a City fund or between departments;
- From salary and benefit category accounts; and
- From operating accounts to capital equipment accounts.

The City Manager has approved all year-end transfers under his authority, based on

recommendations from Finance Department staff (see attached memorandum). However, in some cases, expenses could not be covered from available appropriations within the same fund. In these instances, an appropriation of fund balance is required. Oklahoma Statutes specify that all fund balance appropriations must be approved by the City Council (governing body).

DISCUSSION:
At fiscal year-end (FYE) 2026, seven funds required additional appropriations from fund balance to fully cover expenditures incurred during the year. Adequate fund balance exists in each of these funds to support the recommended appropriations.

In the CDBG Fund, an additional $555,852 needs to be appropriated from fund balance to reimburse the Capital Fund for CDBG-DR costs it covered ahead of grant funding.

In the Room Tax Fund, an additional $1,326,151 needs to be appropriated from fund balance to cover payment of reserves to the Norman Arts Council and Norman Convention and Visitors Bureau allocations from the Room Tax Fund for FYE 26.

In the YFAC Fund, an additional $34,175 needs to be appropriated from fund balance to cover higher than anticipated salaries and bank service charges.

In the Risk Management Fund, an additional $1,472,138 needs to be appropriated from fund balance to cover higher than anticipated health claim payments.

In the Capital Fund, an additional $2,573,402 needs to be appropriated from fund balance to cover transfers to the General Fund and the PSST Fund for capital outlay, and to the Debt Service Fund to transfer bond proceeds.

In the Norman Forward Fund, an additional $687 needs to be appropriated from fund balance to cover additional debt service fees.

In the Debt Service Fund, an additional $302,384 needs to be appropriated from fund balance fund the higher-than-budgeted principal and interest payments on judgments awarded against the City.

RECOMMENDATION:
Staff recommend the following appropriations and transfers be approved:

$555,852 from CDBG Fund Balance (account number 21-29000) to Interfund Transfer – Capital Fund (account number 21930194-48050).

$1,326,151 from Room Tax Fund Balance (account number 23-29000) and allocate ***$992,827*** to Miscellaneous Services – Visitors Bureau (account number 23330243-44774) and ***$333,324*** to Miscellaneous Services – Norman Arts Council (account number 23730241-44741).

$34,175 from YFAC Fund Balance (account number 24-29000) to Salaries – Part Time (account number 24770035-42002).

$1,472,138 from Risk Management Fund Balance (account number 43-29000) to Self-

Insurance – Health Claim Payments (account number 43330105-44420).

$2,573,402 from Capital Fund Balance (account number 50-29000) and allocate $2,511,540 to Interfund Transfer – To Debt Ser (account number 50930194-48060) and $61,862 to Debt Service Issuance GO Bond (account number 50930149-47203).

$687 from Norman Forward Fund Balance (account number 51-29000) to Debt Service Charges (account number 51930149-47202).

$302,384 from Debt Service Fund Balance (account number 60-29000) to Interfund Transfer – Risk Management Fund (account number 60930149-48043).