



CITY OF NORMAN, OK CITY COUNCIL STUDY SESSION

Municipal Building, Executive Conference Room, 201 West Gray, Norman,
OK 73069

Tuesday, January 02, 2024 at 5:30 PM

MINUTES

The City Council of the City of Norman, Cleveland County, State of Oklahoma, met in Special Session in the Executive Conference Room of the Norman Municipal Building on the 2nd day of January, 2024, at 5:30 p.m., and notice and agenda of the meeting were posted at the Municipal Building at 201 West Gray Street 48 hours prior to the beginning of the meeting.

CALL TO ORDER

PRESENT

Mayor Larry Heikkila

Councilmember Ward 1 Austin Ball
Councilmember Ward 2 Lauren Schueler
Councilmember Ward 3 Bree Montoya
Councilmember Ward 4 Helen Grant
Councilmember Ward 5 Michael Nash
Councilmember Ward 6 Elizabeth Foreman
Councilmember Ward 7 Stephen Holman

ABSENT

Councilmember Ward 8 Matthew Peacock

AGENDA ITEMS

1. CONTINUED DISCUSSION REGARDING THE INTERNAL AUDIT PROGRAM.

Mayor Heikkila and Councilmembers discussed how to label the Internal Audit Program. Councilmembers were concerned that calling this a charter would be confusing because we already have a City Charter. However, technically speaking this is the industry standard language. The policy and procedures for this charter should be adopted by Resolution. The consensus was to continue to call this a charter.

Mr. Darrel Pyle, City Manager, suggested that this is an opportunity for Civic education. The Internal Auditor, Shaakira Calnick, can work closely with Tiffany Vrska, Communications Officer, to do some podcasts or videos that let the community know about this and that they can compare with similar communities and find the same information.

Mayor Heikkala said that the next area to review is the statement that says, "whereas the office of the City Auditor is established as a Division." Mayor Heikkila said that this position is an employee of the Council. Adopting the position of the City Auditor through amending the charter which was done on May 24, 2023.

Item 1, continued:

He requested to change the wording from legislatively appointed City Auditor to being a Council appointed position.

Mayor Heikkila suggested to change the wording to say this is the "Department" of the City Auditor rather than the "Position" of City Auditor.

Mayor Heikkila said that the design of the Audit Committee should be decided now before going any further. He suggested that the Audit Committee be made up of the same people as the Finance Committee plus any other people on Council that want to be there.

Ms. Calnick stated that it would be ideal for someone with Accounting experience to serve as the Chairperson and then have four or five other members with a couple of those being from the community at large. It could be modified but there should be members of Council and members of the public on this Audit Committee.

Councilmember Montoya said that the Audit Committee should be under the Finance Committee because trying to get volunteer at large members from the community that are licensed professionals will be extremely difficult. Additionally, there is sensitive information discussed at these meetings that should not be for public view. Mr. Pyle asked without a quorum of Council for the Finance Committee, could the Audit Committee meet behind closed doors?

If there was a sensitive item to be discussed can the Audit Committee go into an Executive Session?

Ms. Walker said the challenge is that we have adopted an Ordinance and a Resolution that states that any committee or sub-committee of the Council has to follow Open Meeting Act rules. The only closed doors is if there is an Executive Session qualifying item. The Open Meetings Act also defines public bodies as dealing with the expenditure of public funds.

Ms. Calnick said the Audit Investigation Reports should not be made public until the investigative Audit is complete. Mayor Heikkila said that if there is something criminal found through the Audit findings, the public has a right to know how their money is being spent. If something of significance is found, the information should be through the Legal office and then to the public.

Councilmember Schueler stated that the Audit Committee would be held as a quarterly meeting. The concern is that if a quorum of Council is not allowed, how would we control which Council members attend this meeting? As of now, all Council members can attend any Council Committee meeting they choose and this could cause there to be a quorum at the Audit Committee meeting. It would be a good idea to look at how Oklahoma City handles this issue with their Audit committee. We should not have one committee of Council operating differently than the others.

Ms. Calnick said that as the City Auditor she would be taking direction or guidance from the Audit Committee regarding what Audits to perform, etc. As the City Internal Auditor, I would need to present any findings to the Audit Committee, Council and the City Manager for the efficiency of the operation.

Item 1, continued:

Mr. Pyle said that to be able to facilitate the agenda for the Audit Committee, the Finance Committee would meet and then adjourn and immediately go into the Audit Committee agenda. This would be the most efficient way to have the most number of participants possible.

Mayor Heikkila agreed and stated that in comparing Oklahoma City with Norman, it is necessary for a larger city to need more sophistication than we do. It is easier to grow a Department to that standard rather than to try and explain things afterwards. The Ballot language says to hire an Auditor and it infers that there will be help for the Auditor, but it does not say we are going to build another Department. He said Ms. Calnick obviously needs an Assistant to fill in for her during an illness, etc. The Finance Committee does include all of Council; however, when the need arises to have something more in depth, Council can look at amending the Resolution at that time but for now, leave it as the Finance Committee members being members of the Audit Committee as well.

Councilmember Peacock said that if Audit findings showed some type of problem a special meeting could be held to address such findings and determine the next steps through the Legal Department and City Manager as well as the Internal Auditor. Ms. Calnick would present her preliminary findings and request to open an investigation or what the City of Norman next steps would be in this situation.

Mr. Pyle said if a special meeting of the Audit Committee was needed in between their quarterly meetings, an agenda item could be placed on the Finance Committee Agenda for the Audit Committee findings or to have them meet.

Mayor Heikkila said that if the report found something dire that needed to be addressed immediately, a Special Session of City Council could be called.

Ms. Walker stated that hypothetically speaking, if the Auditor were to find that a specific employee was potentially embezzling money, etc. then an Executive Session would be called to discuss employment status and Human Resources would be involved.

Councilmember Schueler asked if citizens at large would be part of the Audit Committee?

Ms. Calnick said the benefit of having citizens at large serve on the Audit Committee is public accountability. It would be ideal to have professional citizens on the Audit Committee as well so the decision making process is more transparent and fair. If the Auditor were to decide to investigate a specific department, etc., the public citizens on the Audit Committee could help determine if the investigation is being fairly executed.

Councilmember Schueler said that part of the reason that the public voted to create the position of Internal Auditor is to keep the City accountable and have these discussions and have someone that is running these audits. This element of why the position was created should not be lost.

Mayor Heikkila said that one of the reasons that we were all elected to our positions is to make sure that the public's money is being spent correctly. If the Auditor were to find that an elected official is influencing or spending money inappropriately, it should be public information and should be immediately shared with the public. Finding a qualified person to take the position of City Internal Auditor is rare.

Item 1, continued:

Mayor Heikkila said as far as selecting Audit Committee members, it literally needs to be done by pulling names out of hat, the more random, the better. The City Auditor could present certain persons and their resumes as far as whose names to put in the hat. The term for each Audit Committee member varies and it is staggered.

Mayor Heikkila requested an explanation of the following sentence under Section 5, second to the last sentence says “the City Auditor will confirm to the Audit Committee and the City Council at least annually the organizational independence of the Internal Audit activity”. What does this mean?

Ms. Calnick responded that once a year she has to prove that she is truly independent. Independent of any influence or coercion by City Council, etc. It is a statement that I present each year saying that I am independent and impartial.

Regarding Audit reports, the sentence says “the City Auditor shall notify the Cleveland County District Attorney”. Mayor Heikkila said he would add in here that this should be done at the direction of City Council and the advisement of the City Attorney.

Looking at Audit Committee, which is 12, Page VII – “Conducting or Overseeing a request for proposals, selection process for the firm conducting financial statement audits” this seems to be functions of the Finance Committee. Historically, these things have been done by the Finance Committee.

Ms. Walker stated that this section has more to do with selecting an outside auditor if needed.

Ms. Calnick said she is currently developing the internal audit policy and procedures as well as the risk assessment process and questionnaire. Once this governance piece is completed things can move forward with the Audit Committee meetings. FYE 24 is currently being audited but standard practice is to go back five years due to the statute of limitations. It would be ideal to have a comprehensive Audit plan in place by this summer.

Mr. Pyle said in considering the June time table, we should have the information of the Finance Committee members that we are proposing to be a part of the Audit Committee prepared and ready to have a drawing of the names at the May Finance Committee meeting. The individuals selected could be ready and available for a June Audit Committee meeting.

2. DISCUSSION ON CLEANUP IN DOWNTOWN NORMAN.

Ms. Michele Loudonback, Environmental & Sustainability Manager, said she was given the role of presenting the history of the litter crew. She stated that most people do not know where it came from or who is in charge. The original memo dated October 2002, written by Doug Danner requesting a litter crew be formed. The original allocation for this crew was \$71,000 in 2002 for four people and allowed for 215 days to do clean up as well as being tasked with doing the mowing and removing debris from the channels. The litter crew went away due to the economic downturn. In 2008, Mr. Greg Hall, Streets and Stormwater Superintendent, brought it back and the allocation was \$48,000, coming from the General Fund as a Public Works program.

Item 2, continued:

In 2017, Council approved the Lake Thunderbird Total Maximum Daily Load (TMDL) Plan (a monitoring and compliance plan) where litter control was included as part of the best management practices. The map dated 2008-2009 showing the areas the litter crew covered were urbanized core Norman areas. The next map, 2018-2022, included cleaning from the streets and streams: most the cleanup was along streets and roadways within the Thunderbird watershed. The Standard Operating Procedure for the litter crew was included in the 2019 policy manual that Council adopted. While trying to get the stormwater utility and bonds passed. Due to the increase in litter, staff wanted to provide a day's wage for those in need as well as beautify the community and offer wrap around services for these individuals. Staff wanted the program to provide a day's wage and access to housing, healthcare, permanent employment, mental health care, etc. Council offered to provide funding for the project, the crossover van and assistance with litter disposal including weighing the litter and program oversight. The RFP was issued November 17, 2023, and two responses were received. One was from the Mental Health Association of Oklahoma; they operate the Better Way in Oklahoma City and Tulsa. Another response was received from Norman Care-A-Vans, a local non-profit that provides transportation services for unhoused members of our community. The range of costs was \$330,000-\$530,000. The difference between those two numbers, the lower end is working three days a week with eight to nine participants and the higher end is five days a week. Originally, the allocation for the litter crew was \$50,000 so this is substantially different from that.

Mr. Pyle stated this conversation began with Mr. Shawn O'Leary, former Public Works Director, who used to oversee the litter crew and Mr. O'Leary indicated \$50,000 was not buying what it used to buy. In 2002, the City got 215 days of work, but as time moved along it was paired down to 90 days per year and that is not getting it done anymore. When Mr. O'Leary was asked how much money it would take to actually make an impact he felt like it would take at least \$150,000. The ability to employ a targeted population and provide wrap around services accounts for what we are seeing in the cost increase. These additional services were not provided in the past, but Council has requested that these services be included moving forward. Ms. Loudenback, the question of why the litter crew services do not fall under solid waste funding could be partially from the General Fund and partially from the Solid Waste Fund. This would be accomplished with Ms. Loudenback's and Mr. Mattingly's oversight so that the things that are truly for the public benefit would be paid for by the General Fund and things that specifically benefit Solid Waste would be paid for out of the Solid Waste Fund.

Councilmember Grant asked if the people being employed would be the same eight to nine persons for the whole duration or would they be rotated?

Ms. Loudenback stated that with just a cursory look at the RFP's, the two respondents show they are slightly different in their makeup with one having flexibility and the other not having as much flexibility.

Mayor Heikkila stated that two things concern him, one is litter downtown and the other is litter in the creeks. The creeks are horrible with Wal-Mart bags and other awful stuff. There are litter problems downtown, which can range from normal trash to human waste. He said downtown to him means everywhere that litter exists, needs to be removed.

Item 2, continued:

Mr. Pyle said that because we have Parks Maintenance crews and Solid Waste crews out in the community everyday, we can use them to see if there is a problem area that needs to be addressed. They can be report back to our litter crew and this allows us to be flexible and responsive to whatever needs come up on any day.

Councilmember Grant asked how litter on private property would be handled.

Ms. Loudenback said the contractor would not be able to pick up litter on private property.

Ms. Walker said currently, if our crews are out and trash has blown into a creek bed or an area where our crew has control and access, they can take care of it, but otherwise the City must be careful using ratepayer funds. The work done cannot benefit a private entity or private property owners.

Councilmember Foreman stated that she felt comfortable proceeding with the program as long as Mr. Pyle and Mr. Mattingly did not mind having this in their budget.

Mr. Mattingly said the Sanitation Division is not able to manage personnel in the field picking up the litter. The City is currently doing a cost of service study and the report should identify who is paying into the Sanitation Fund and who is benefitting. The City does not want residential subsidizing commercial and vice versa. He said these numbers should be available in about three months.

Councilmember Schueler asked if the estimate of \$330,000-\$530,000 would include transportation for the crew, all maintenance, gas, etc., for this program. She asked if it includes funding for the payment of the crew and would the City be providing the administrative portion of this program outside of this estimate.

Ms. Loudenback said administrative costs would be included within the estimates given. The City would not be administering the program, it would be up to the company selected.

Ms. Shaakira Calnick, Internal Auditor, asked if the company chosen would be selecting their employees from the unhoused community.

Councilmember Schueler indicated that members of the litter crew would be selected from our unhoused community, whichever company is chosen.

Councilmember Holman said he was supportive, but also thought it should probably start with the three days per week program and expand from there, if needed. Conversely, if it was implemented as a five days a week program, it would be a more consistent job for people. He said this could be a selling point for a future rate increase because it has been since 2012 that Solid Waste had a rate increase.

Mr. Pyle said we could also wrap the van with a catchy phrase that would let people know this is the litter crew. Once Council awards a contract to one of the vendors, details can be included in the contract about routes since this is a new program for our City.

Ms. Walker indicated that on the current timeline, it would be March to have all of this completed. The selection process would be done internally based on the RFP's received and then we would negotiate with the selected company regarding the details.

ADJOURNMENT

The meeting adjourned at 6:28 p.m.

ATTEST:

City Clerk

Mayor