



CITY OF NORMAN

BUDGET

2025-2026

FISCAL YEAR ENDING
JUNE 30, 2026
FINANCIAL PLAN-FISCAL
YEAR-END 2027-2030

Fiscal Year 2025-2026 Budget Overview – General Fund and Special Revenue Funds

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THE BUDGET IS:

- ▶ A POLICY DOCUMENT
- ▶ A FINANCIAL PLAN
- ▶ AN OPERATIONS GUIDE
- ▶ A PUBLIC COMMUNICATION DEVICE



Fiscal Year 2025-2026 Summarized Budget Calendar

- ▶ Council Finance Committee Budget Discussions
- ▶ Council Capital Budget Study Session (11/19/2024)
- ▶ Finance Committee Mid-Year Budget Review (1/16/2025)
- ▶ Council Capital Budget Study Session (3/4/2025)
- ▶ Council Budget Study Session – General & Special Revenue Funds (4/15/2025)
- ▶ Public Budget Hearing (4/22/2025)
- ▶ Council Budget Study Session – Capital Funds (5/6/2025)
- ▶ Council Budget Study Session – Enterprise Funds (5/20/2025)
- ▶ Public Budget Hearing (5/27/2025)
- ▶ Council Budget Study Session – Optional Follow-up (6/3/2025)
- ▶ Council Considers Budget for Adoption (6/10/2025)
- ▶ Beginning of Fiscal Year 2025-2026 (7/1/2025)



Format of Budget Documents

Summary → Detail

- ▶ City Manager's Letter (Pages i-xii)
- ▶ Community Profile Section (Pages 1-9)
 - ▶ Demographic/Socioeconomic Information
 - ▶ Benchmark Comparisons
 - ▶ Ward Map
- ▶ Overview/Statistical Section (Pages 11-35)
- ▶ Financial Policies (Pages 36-55)
- ▶ Financial Summaries (Pages 56-120)
- ▶ Fund/Department Detail (Pages 122-471)
 - ▶ Mission Statements
 - ▶ Organization Charts
 - ▶ Goals/Objectives
 - ▶ CIP Summaries
 - ▶ Outstanding Debt
- ▶ Appendices (Pages 472-485)



FUNDING SOURCES FOR EACH DEPARTMENT

	Governmental Funds				Proprietary Funds	
Divisions	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Enterprise Funds	Internal Service Fund
City Clerk	GF					
City Council	GF					
City Manager	GF					
Finance	GF					
Fire	GF					
Human Resources	GF					
Information Technology	GF					
Legal	GF					
Municipal Court	GF					
Parks & Recreation	GF					
Planning & Development	GF					
Police & Emergency Communications	GF					
Public Works	GF					
Non-Departmental	GF					
Net Revenue Stabilization (Rainy Day)	GF					
CLEET		SR				
Community Development		SR				
Fire - Public Safety Sales Tax		SR				
Police - Public Safety Sales Tax		SR				
Room Tax		SR				
YFAC Fund		SR				
Seizures & Restitution		SR				
Special Grants		SR				
Art in Public Places		SR				
Westwood Park		SR				
Public Transportation		SR				
Sanitation					EN	
Water Reclamation					EN	
Sewer Maintenance					EN	
New Development Excise					EN	
Water					EN	
Risk Management						IS
Capital Projects				CA		
Norman Forward Sales Tax				CA		
Park Land & Development				CA		
University North Park TIF District				CA		
Center City TIF District				CA		
Arterial Roads Recoupment				CA		
General Debt Service			DS			
General Obligation Bond			DS			



Financial Policies

- ▶ Budget Adoption required by City Charter via resolution
- ▶ The Municipal Budget Act (State Statute) was adopted by the City of Norman in January 22, 1980
 - ▶ At least 30 days prior to the beginning of each fiscal year, the Chief Executive Officer (City Manager) shall present a proposed budget to the governing body for consideration
 - ▶ A Public Budget Hearing must be held at least 15 days prior to the start of the fiscal year (Council opted to add a 2nd public hearing in FYE 2020) with notice and a budget summary published in a local newspaper at least 5 days prior
 - ▶ “Balanced” budget adoption required by State Law at least 7 days before the start of the fiscal year
 - ▶ The Adopted Budget must be transmitted to the State Auditor and Inspector within 30 days after the beginning of the fiscal year
 - ▶ The Adopted Budget must be available to the public in print and electronically



Financial Policies

- ▶ Council re-adopts our financial policies with adoption of the budget
- ▶ Council appropriates the projected revenues and allocated expenditures with adoption of the budget
- ▶ Balanced Budget Requirement = Positive Fund Balance in each fund
- ▶ Fund Summaries depict Five-Year Forecasts that are formula-based
- ▶ Operating, Capital, and Debt Reserve Policies
- ▶ Levelized Utility Rates (5-Year)
- ▶ Utility/Room Tax Transfers to the General Fund
- ▶ Compliance with Oklahoma Municipal Budget Act



Net Revenue Stabilization Fund-*Reserve Policies*

- ▶ Adopted by Ordinance 0-1011-58; Amended by Ordinance 0-1819-10
- ▶ **Minimum** 3% General Fund Operational Reserve in General Fund
- ▶ **Mandated** 1% General Fund Emergency Reserve Budget Allocation in the General Fund
- ▶ **Minimum** 4% “Rainy Day Fund” Reserve
- ▶ **Target** 5% “Rainy Day Fund” Reserve
- ▶ **Maximum** 7% “Rainy Day Fund” Reserve
- ▶ TOTAL Reserve Levels = 8%-10% of General Fund Budgeted Expenditures



Net Revenue Stabilization Fund-*Reserve Policies*

- ▶ Rainy Day Fund Balance appropriation ONLY IF:
 - ▶ General Fund 1% Emergency Reserve Allocation has been spent; AND
 - ▶ Projected General Fund Balance falls below 1%; AND
 - ▶ Federally or State-declared disaster in Cleveland County, after emergency reserve is spent; OR
 - ▶ One-time major repair/replacement is required
- ▶ For FYE 2026 – Rainy Day Fund is projected to be above Minimum Level and \$446,311 below the Targeted Level



Fiscal Year 2025-2026 Budget and Five-Year Projections

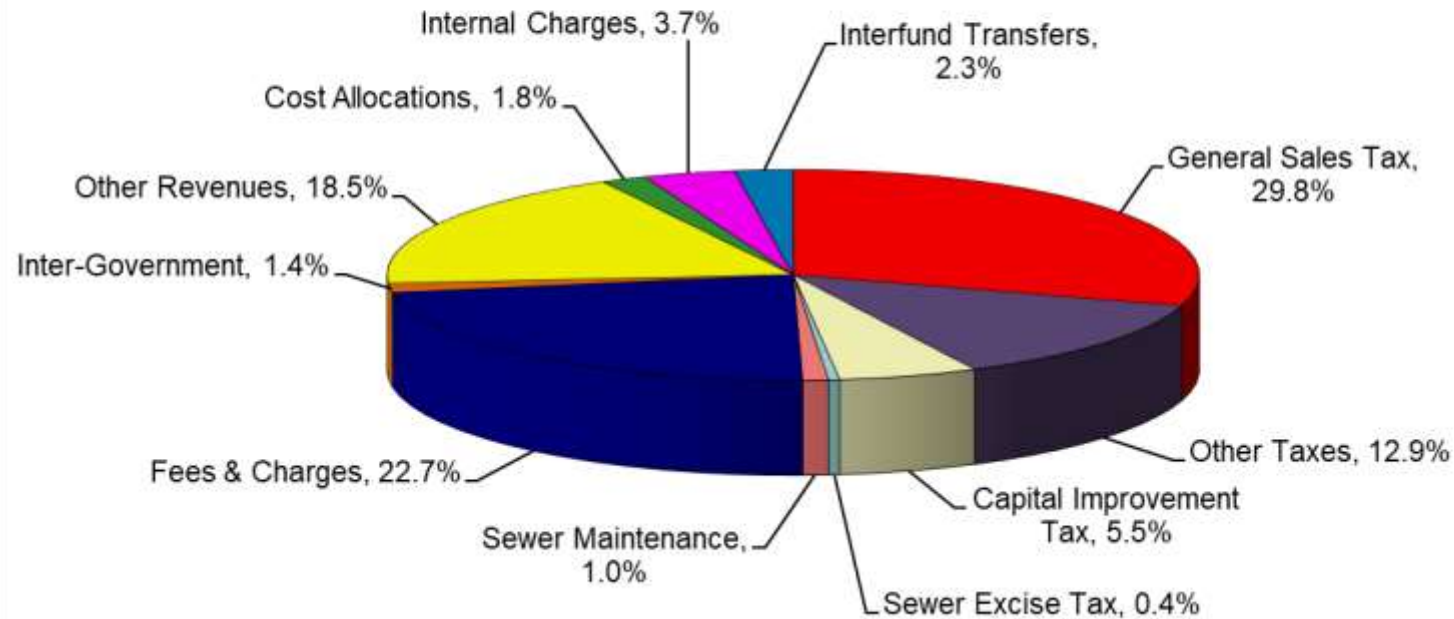
Overriding Theme:

Holding the Line; Efficiency
Optimization



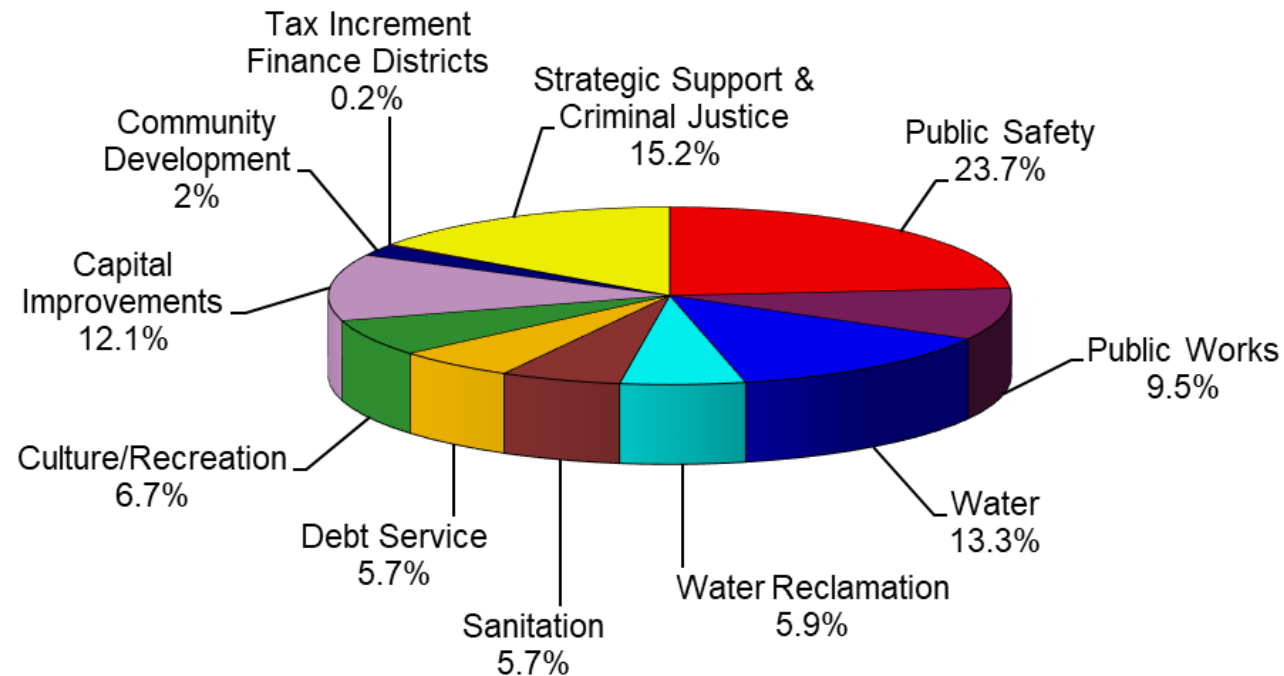
Fiscal Year 2025-2026

FYE 2026 ALL FUNDS PROJECTED TOTAL REVENUES
\$316,899,864



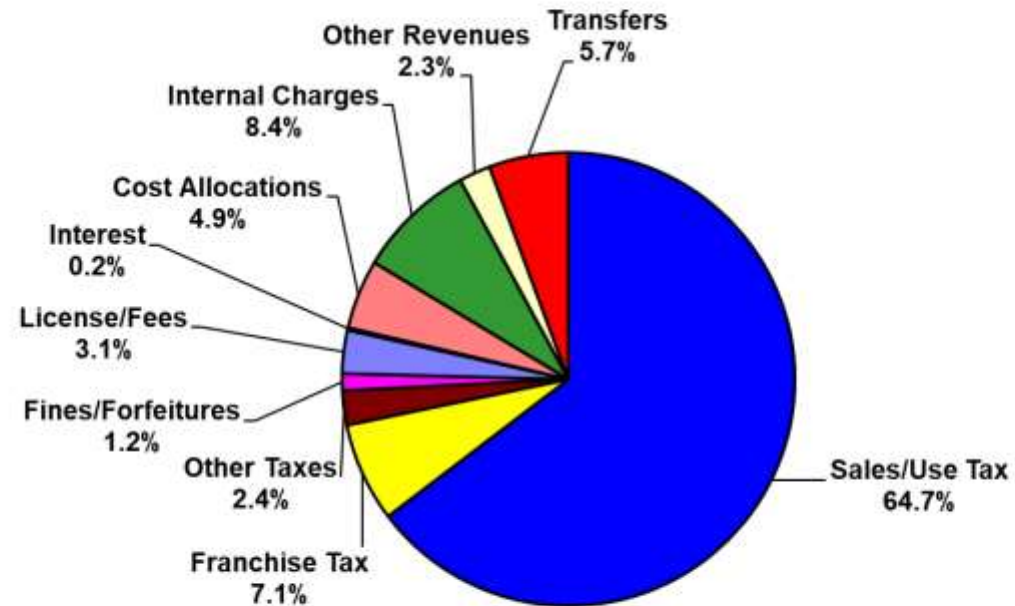
Fiscal Year 2025-2026

FYE 2026 ALL FUNDS PROJECTED TOTAL EXPENDITURES \$295,251,765



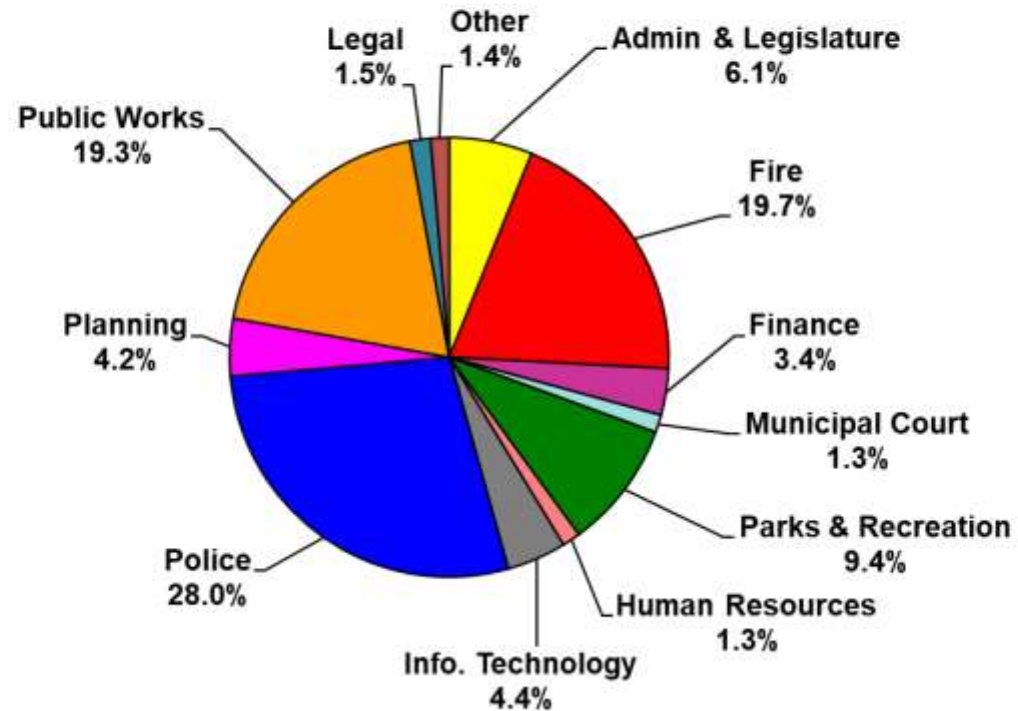
Fiscal Year 2025-2026

FYE 2026 GENERAL FUND REVENUES BY SOURCE
\$107,119,578

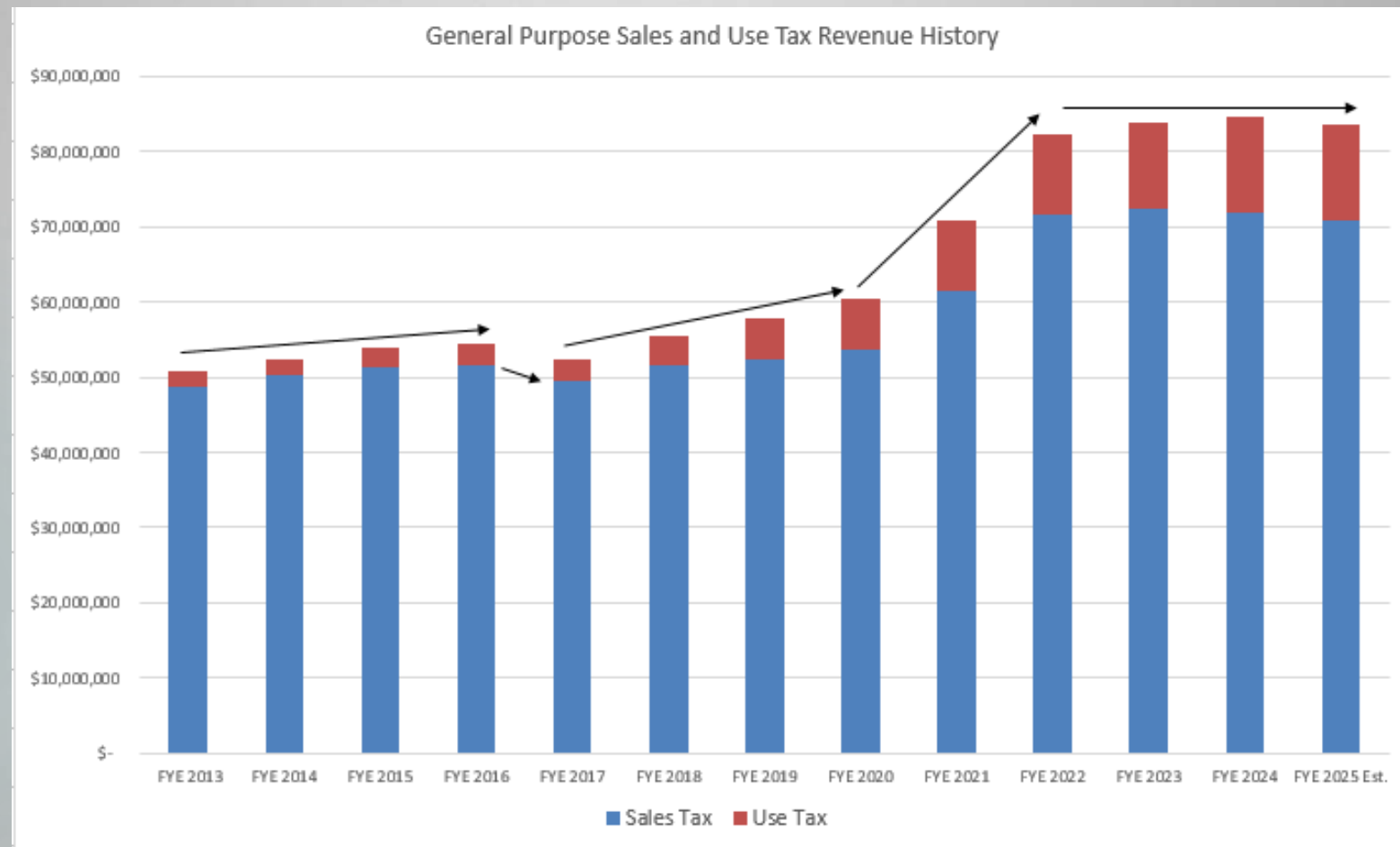


Fiscal Year 2025-2026

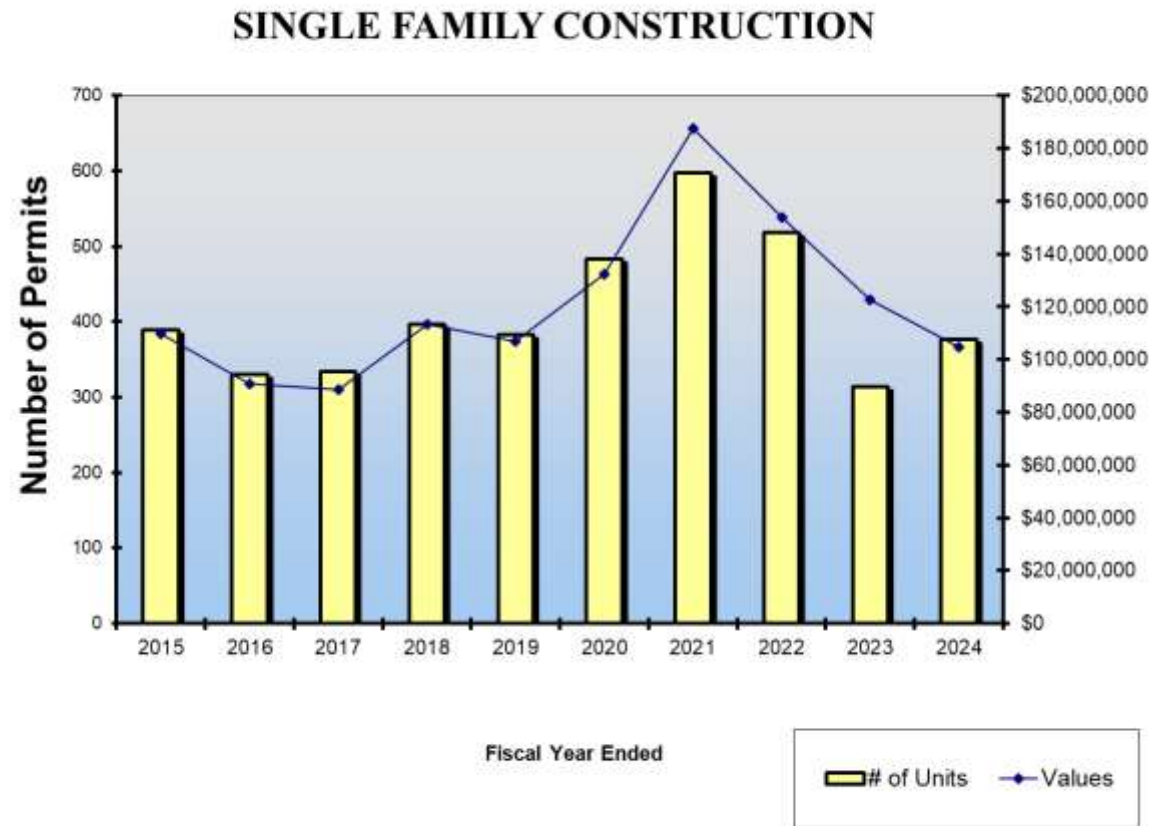
FYE 2026 GENERAL FUND EXPENDITURES BY DEPARTMENT \$111,222,714



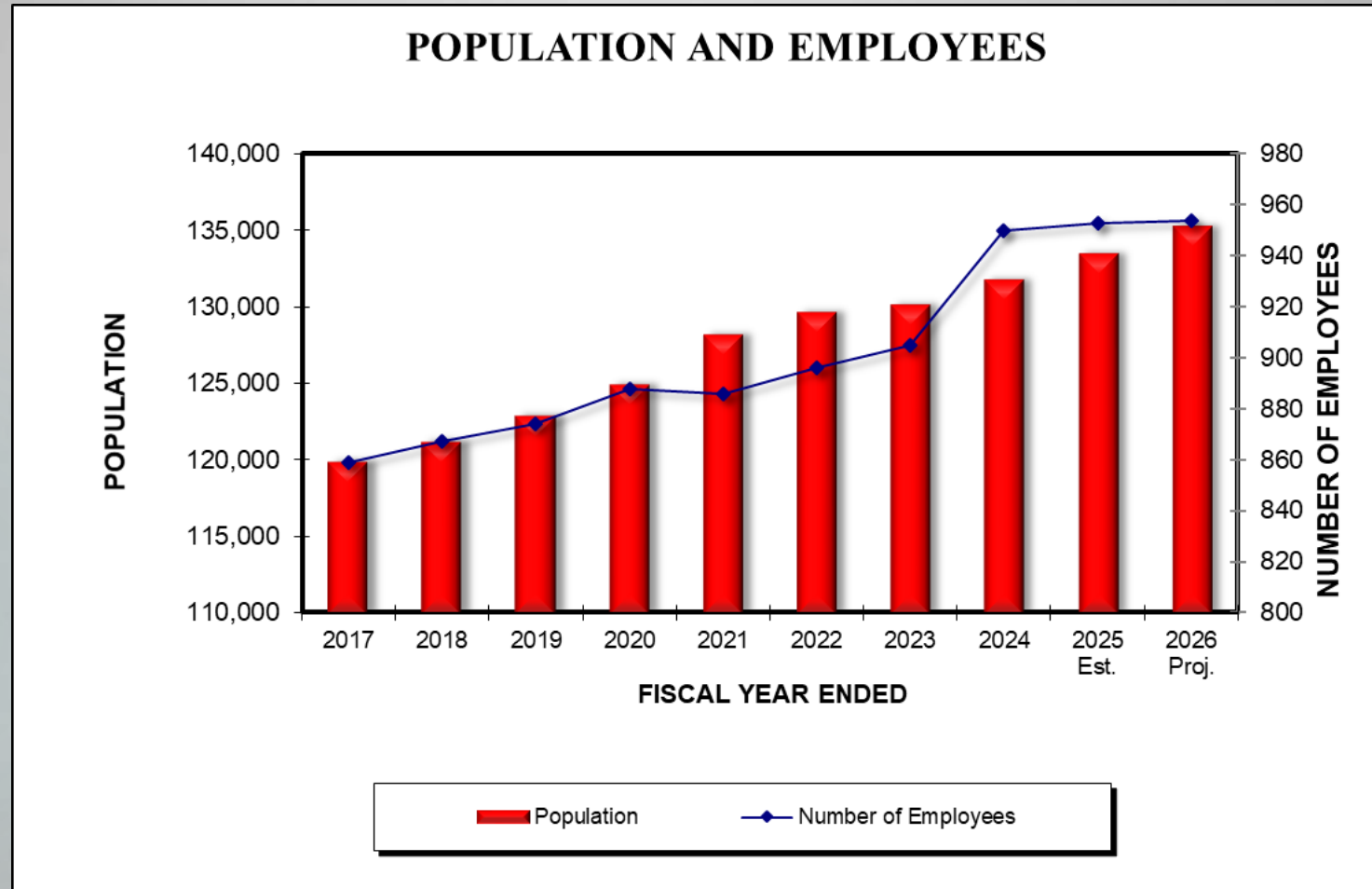
Fiscal Year 2025-2026: Holding the Line



Fiscal Year 2025-2026



Fiscal Year 2025-2026: Holding the Line



Personnel Changes, Last 5 Fiscal Years

Fund	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
General Fund	7	-10, +10	13	2	
PSST Fund			6		
CDBG Fund	-1	-1	-2		
YFAC Fund			28	-1	
Westwood Fund			1		
Water Fund		10		1	
Water Reclamation Fund			-4	1	
Sanitation Fund	3		3		1
Capital Fund	1				
	10	10	45	3	1

► IN FYE 25:

- General Fund: Added a Vet Technician position, a Communications & Engagement Coordinator position, and a Cyber Security Analyst position; cut an ADA Technician position.
- YFAC Fund: Added a Program Coordinator position; cut 2 part time Rec Leader positions.
- Water Fund: Added a Plant Operator position and a Water Distribution Worker I position and moved an Admin Tech position to the Water Reclamation Fund.
- Water Reclamation Fund: Added an Admin Tech position from the Water fund.

► IN FYE 26:

- General Fund: Added a part time Oil & Gas Inspector position; cut a part time Parking Service Officer position.
- Sanitation Fund: Added a Sanitation Worker II position.



Major General Fund Revenue Assumptions

- ▶ **FYE 2026 General Fund Revenue Growth projections from FYE 2025 levels:**
 - ▶ Sales and Use Tax - 0% growth
 - ▶ License/Permit Revenue, Other Revenue, Service Fees and Charges – 1% growth
 - ▶ Investment Income – 2% growth
 - ▶ Franchise Fee, Other Tax Revenue, Fines & Forfeiture Revenue - 3% growth
- ▶ **Transfers from Water and Water Reclamation Utilities of 5% of their revenue (based on private utility payments for taxes and use of R-O-W)**
- ▶ **Transfers from Room Tax Fund for administrative services 4% of Room Tax Revenue**
- ▶ **Cost Allocation charges for central services provided to utilities**



Major General Fund Expenditure Assumptions

- ▶ Salary and Benefit category expenses budgeted for each position in FYE 2026 based on contractual costs, assuming merit and longevity cost increases and NO COLAs
- ▶ Five-year projections made to “determine future viability and to provide a base for remedial policy actions”
 - ▶ Salary and Benefit costs assumed to grow by 5% per year in FYE 2027-2030
 - ▶ Supply and Service costs assumed to grow by 1% per year in FYE 2027-2030
 - ▶ Internal Service costs assumed to grow by 2% each year in FYE 2027-2030
- ▶ Employee Turnover Savings of \$800,000 assumed in FYE 2026 and future years
- ▶ “Subsidies” to Special Revenue Funds - Public Safety Sales Tax, Westwood, Transit, and YFAC to have \$0 fund balance, if required



Public Safety Sales Tax Fund

- ▶ **½% Public Safety Sales Tax approved in 2008 to fund the addition of 71 police and fire personnel, vehicles, equipment, and 2 new fire stations. Permanently extended in 2014 to add 19 more personnel, and the “Critical Capital Needs” – Radio System Replacement, Emergency Communications and Operations Center (ECOC), Fire Apparatus Replacement Program, and Reconstruct/Relocate Fire Station #5.**
- ▶ **All obligated staff additions have been made as of FYE 24 and the ECOC is substantially complete**
- ▶ **Relocation of Fire Station 5 is the only remaining obligated Critical Capital Need**
- ▶ **Debt for the Radio System and the ECOC will be paid off in FYE 27**
- ▶ **3/8% of PSST revenue to General Fund and 1/8% to Capital Fund when the Critical Capital Needs are completed**
- ▶ **Estimated General Fund subsidy of \$2,639,899 in FYE 2025 and \$482,453 projected in FYE 2026**



Room Tax Fund

- ▶ Room Tax Rate of 8% approved in 2023
- ▶ FYE 2026 revenue projections increased by 6% over FYE 2025 levels
- ▶ No Park Development capital projects proposed for FYE 2026
- ▶ FYE 2026 Fund Balance projected to be \$724,313; \$710,235 reserved for Park Development



Young Family Athletic Center (YFAC) Fund

- ▶ Accounts for the resources used to operate the 122,000 square foot YFAC athletic facility containing two pools and a gymnasium, which began operating in FYE 2024
- ▶ 5 full time employees and 22 part time employees
- ▶ NRHS and Concession Contractor Spaces are operational, retail space to come soon
- ▶ FYE 2026 Revenue projections reduced by 20% from FYE 2025 levels based on 2025 receipts
- ▶ FYE 2026 Expenditures projected to be \$5,000 more than revenues



Seizures and Restitution Fund

- ▶ Revenue from Federal and State property seizures is not budgeted or assumed
- ▶ Available fund balance of \$1.1 million estimated at the end of FYE 2025
- ▶ \$728,329 in proposed allocations for FYE 2026:
 - ▶ \$582,979 to replace 8 police vehicles
 - ▶ \$30,000 for Pivot Community Intervention Services
 - ▶ \$145,350 for other police equipment, including HDU portable X-ray System, HDU Crisis Response Tool Kit, HDU PAN System Kits, E-bikes, and Search & Rescue Drones



Public Transportation Fund

- ▶ Accounts for the resources used to operate and maintain Norman's public transportation system
- ▶ 9 Full Time Employees
- ▶ About 53% of revenues come from 0.125% dedicated sales and use tax, 40% from FTA grants, and the rest from parking fees, misc fees, and other grants
- ▶ Projected FYE 2026 revenues exceed projected expenditures by \$600,482



Westwood Park Fund

- ▶ Accounts for the resources used to operate the Westwood Golf Course, Tennis Center, and Aquatic Center
- ▶ 9 Full Time Employees and 1 Part Time Employee
- ▶ FYE 2026 revenue projections increased by 5% over FYE 2025 levels due to rate increases implemented in calendar year 2025
- ▶ Projected FYE 2026 revenues exceed projected expenditures by \$104,584



Other Special Revenue Funds

- ▶ Council on Law Enforcement Education and Training (CLEET)
- ▶ Community Development Block Grant (CDBG Budget Process)
- ▶ Art in Public Places
- ▶ Special Revenue Fund (grant related)
- ▶ Park Land and Development Fund



Upcoming Council/Public Budget Meetings

- ▶ 4/22/2025 – 1st Public Budget Hearing
- ▶ 5/6/2025 – Capital Fund Budgets
- ▶ 5/20/2025 – Enterprise Fund Budgets
- ▶ 5/27/2025 – 2nd Public Budget Hearing
- ▶ 6/3/2025 – Optional Budget Study Session (Amendments?)
- ▶ 6/10/2025 – Council Considers Budget for Adoption
- ▶ 7/1/2025 – Beginning of Fiscal Year 2025-2026



Questions/Discussion

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