CITY OF NORMAN, OK
CITY COUNCIL FINANCE COMMITTEE MEETING

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

Thursday, September 17, 2026 at 5:00 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 Thursday, September 17, 2026 at 5:00 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
Councilmember Ward 1 David Gandesbery
Councilmember Ward 3 Robert Bruce
Councilmember Ward 2 Jacy Deck

ABSENT
Chair - Councilmember Ward 7 Kimberly Blodgett
Councilmember Ward 4 Helen Grant

OTHERS
Councilmember Ward 6 Kyle Steele
Clint Mercer, Director of Finance
Kim Coffman, Chief Accountant/Asst. Finance Director
Dannielle Risenhoover, Admin. Tech IV
Jamie Vaughn, Budget Manager
Kathryn Walker, Asst. City Attorney
Joel Hasser, Forvis/Mazars Partner
Jackson Foot, Citizen

AGENDA ITEMS

1. INTRODUCTION OF FORVIS, LLC, AUDITORS FOR THE CITY OF NORMAN.

Chief Accountant Kim Coffman introduced the City of Norman external auditor, Joel Hasser. They are with the accounting group Forvis Mazars, LLP and are part of the team conducting the City's Fiscal Year 2025-2026 (FY26) Annual Comprehensive Financial Report (ACFR) Audit and Single Audit. Hasser presented the Pre-audit Report to the Committee, outlining Forvis Mazars' auditing scope of work and responsibilities. Their responsibilities include but aren't limited to assessing the risk of management's override of controls, improper revenue recognition, findings related to federal programs, accrued estimates such as pension costs and legal settlements, and review of accrued liabilities.

The audit includes compliance with federal awards under Uniform Guidance, selecting grants over $1 million in expenditures not audited in the past two years for testing across 13 compliance requirements (spending, reporting, eligibility). The single audit report will be issued for federal grants. State grants without a federal component are not audited due to lack of a state-level single audit requirement in Oklahoma.

The initial point of contact for Forvis Mazars is the Mayor; however, Forvis Mazars will also bring updates to the City Council Finance Committee as it also serves as the City's Audit Committee. Draft financial statements are expected before Thanksgiving with final issuance planned for the first City Council meeting in December. Two new, non-significant accounting standards will be implemented.

Finance Director Clint Mercer stated that external audits are required to receive federal funds and for debt covenants, regardless of the presence of an internal auditor. Internal auditors self-identify concerns and track improvements on their findings; external auditors review internal audit reports. External and internal auditors typically do not review each other's work directly but share information. An internal auditor's scope is broader than financial matters, covering internal controls across critical city functions.

2. DISCUSSION REGARDING THE FYE 2028 BUDGET CALENDAR.

Budget Manager Jamie Vaughn led the discussion. Vaughn presented the proposed Fiscal Year 2028 Budget Calendar, highlighting and elaborating on several of the events. No changes to the calendar were requested. Some of the key dates included:

- Nov 17: City Council work session on the capital budget
- Jan 21: Finance Committee meeting on midyear adjustments and post-audit review
- Feb 1: Deadline for department budget requests
- Feb 18: Finance Committee meets regarding outside agency funding
- Mar 2: City Council study session focused on capital budget for fiscal year 2028
- Mar 5: Management Team budget retreat to rank department requests
- April/May: City Council study sessions and public hearings
- April 13: Target date to print the preliminary budget
- June 8: City Council considers and adopts the budget
- July 1: 2028 fiscal year begins

Councilmember Bruce showed concern regarding limited visibility into risk analysis prior to finalizing the budget and the need to distinguish "needs" vs. "wants". Examples included potential underfunding of high-risk items such as police, dispatch, and firefighter overtime.

Finance Director Clint Mercer explained that the budget is not zero-based; it starts from the prior year's approved operating base budget with separate capital requests. Ongoing departmental risk assessments are performed routinely with flexibility to amend the budget, mid-year, for emergencies or fund shifts.

It was agreed that City staff would bring risk ranked data, and the City Manager's prioritization list of what to fund, to the Finance Committee in March. A study session might also be considered at that time. It was also suggested by Councilmember Gandesbery that newly elected, but not yet seated, councilmembers be invited to attend some of the pre-adoption budget discussions. He is going to suggest to the Chair of the City Council Finance Committee that this become a topic of discussion at a study session meeting.

Items submitted for the record:
FYE 2028 Budget Calendar

3. DISCUSSION REGARDING THE FYE 2026 BUDGET CLOSEOUT.

Clint Mercer led the discussion. He presented the Committee with a General Fund Summary Report that showed a comparison of the City's estimated expenditures and revenues from when the Fiscal Year 2026 (FY26) budget was adopted versus the actual, FY26 close-out amounts for expenditures and revenues. "We ended up with about $111 million dollars coming in (revenue), Mercer said. "The expenditures came out to about $114 million, for a loss of about $3.7 million."

Mercer's figures included $1.9 million in expenses from the July 4, 2026, storm clean-up costs and incumbrances that roll forward from the previous year. With these factors, the net difference between the revenue and expenditures is about $381,000. "The thing I don't have on here, which I hope is very likely," Mercer said, "is that we think we are going to get Federal Emergency Management Agency (FEMA) money for the storm. It's my understanding the state has passed it on to the President now, so we're just waiting for a declaration." Oklahoma has implemented a new program that allows them to appropriate federal money to municipalities once the president signs off on it. Mercer estimates that the City could see about $2 million dollars coming in federal funds.

The City, by law, budgets 1% of budgeted expenses reserve and also maintains a fund balance of 3% of budgeted expenses within the General Fund. It also has a Rainy-Day Fund that has a minimum fund balance of 4% of budgeted expenses, targeted fund balance of 5% of budgeted expenses and a maximum fund balance of 7% of budgeted expenses. Funds can only be drawn from the Rainy-Day Fund under certain circumstances and must be replenished within 3 years.

Mercer highlighted the following points regarding other City funds:

Public Safety Sales Tax Fund:

- The debt service will be paid off in March.

• The SRO overtime budget shows $0 for SRO overtime despite accruals. Budgeting $0 is a policy choice to highlight actuals; however, City Council may direct changes to reflect expected overtime expenses going forward.

Water Fund:

• Fund revenues are strong and include $8.9 million from the sale of water wells and American Rescue Plan Act (ARPA) grants ($1 million each to water and sewer).

• Positive year-end fund balance around $17 million; large fund balance due to slow capital project execution.

• Capital spending will continue as projects progress.

Water Reclamation Fund:

• The 2026 fiscal year ended with nearly $2.2 million in this fund. A grant of $3.3 million was received.

• This fund may require a rate request soon; an external consultant is conducting rate study with results expected soon.

• Voter approval is required for a rate increase.

Sanitation Fund:

• Fiscal Year 2026 ended with a balance of $1.1 million.

• The last Sanitation rate increase was estimated to be in 2012.

• A rate increase request may be brought forward soon.

Capital Fund:

• The Capital Fund includes the street maintenance bond program and bridge bond program.

• Balances are large but aligned with project timelines.

• Prior CDBG disaster recovery funds have been restored to the Capital Fund.

Norman Forward Fund:

• The Norman Forward Fund ended the fiscal year with a balance of $1.2 million.

• Most payments are going to service outstanding debt

• Extra funds are going to be available in the Fund. Additional projects are under review.

Items submitted for the record:
General Fund Summary Report

4. DISCUSSION REGARDING MONTHLY REVENUE AND EXPENDITURE REPORTS.

Clint Mercer gave the report. The year-to-date sales tax is up 10.52%. The August 2026 collections are up 7.82%. It is believed that the increased July sales tax collections of 13.5% are tied to the Luke Combs concert.

The year-to-date use tax is up 29%. The franchise fee tax is up 16% with a year-to-date increase of 8.56%. The recent increase in franchise tax revenue has been associated with hot summer weather.

The year-to-date, General Fund expenditures are $20.2 million compared to $20.6 million last fiscal year.

Licensing and permit fees are up 50% with no identified drivers for the increase. Staff believes possible contributors to the increase could include concerts, noise-related permits and fraternity-related events. City staff will research what drove this increase.

Items submitted for the record:
Monthly Financial Reports

ADJOURNMENT
Councilmember Gandesbery adjourned the meeting at approximately 6:05 PM.

ATTEST:

City Clerk

CITY OF NORMAN CORPORATE SEAL OKLAHOMA

Stephen Tyler Holman, Mayor