



CITY OF NORMAN, OK
CITY COUNCIL FINANCE COMMITTEE MEETING
Municipal Building, Executive Conference Room, 201 West Gray, Norman,
OK 73069
Thursday, February 20, 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 Thursday, February 20, 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

Councilmember Ward 3 Bree Montoya
Councilmember Ward 4 Helen Grant
Councilmember Ward 6 Josh Hinkle

ABSENT

Mayor Larry Heikkila

OTHERS

Councilmember Ward 5 Michael Nash
Councilmember Ward 8 Scott Dixon
Councilmember Ward 7 Stephen Holman
Anthony Francisco, Director of Finance
Dannielle Risenhoover, Admin. Tech IV
Jacob Huckabaa, Budget Technician
Kim Coffman, Budget Manager
Rick Knighton, Interim City Attorney
Chris Mattingly, Director of Utilities
Scott Sturtz, Director of Public Works
Darrel Pyle, City Manager
Jason Olsen, Director of Parks and Recreation
Jason Murphy, Stormwater Program Manager
Anthony Purinton, Asst. City Attorney
Brenda Hall, City Clerk
Lisa Krieg, CDBG Grants Manager
Tara Reynolds, CDGB Financial Management Analyst
Shaakira Calnick, Internal Auditor
Shannon Stevenson, Asst. City Manager
Andy Couch, Executive Director & Curator at Fire House Art Center
Shari Jackson, Norman Music Festival & The Depot
Cody Giles, Norman Music Festival
Paul Arcaroli, Citizen

Councilmember Holman chaired the meeting and called it to order at approximately 4:00 PM.

AGENDA ITEMS

1. DISCUSSION REGARDING THE FISCAL YEAR 2025-2026 CITY OF NORMAN BUDGET

Anthony Francisco led the discussion by explaining that, traditionally, the Finance Committee has heard statements from outside agencies that are requesting additional operating funds from the City's General Fund. Four outside agencies were represented at the meeting and presented their rationale for their requests for additional funding. Those agencies were: the Social and Voluntary Services Commission (SVSC), the Firehouse Art Center, The Depot/Performing Arts Studio, and the Norman Music Festival. Francisco made the point that some of these outside agencies also receive funding from other sources such as United Way and City of Norman Room Tax.

The Social and Voluntary Services Committee is asking for a \$25,000 increase to their budget of \$250,000. "I would remind you," Francisco said, "that the SVSC budget has increased over 10 years or so from \$50,000 to this request for \$275,000." According to Francisco, the Firehouse Art Center had a substantial increase in Fiscal Year '24 and they're requesting an additional increase of about 25% from what has been budgeted in 2025. The Historical Museum is requesting an increase of \$5,500. The Depot/Performing Art Studio is requesting a \$5,700 increase and the Norman Music Festival is requesting an increase of about 400% taking their budget from \$10,000 in fiscal year 2025 to \$50,000 in fiscal year 2026.

"Whatever you direct us to do will be considered in the City Manger's proposed budget for these agencies and everything else, for that matter, will be at the final discretion of the City Council," Francisco said.

Councilmember Grant stated, "So we'll hear from those organizations that are here about their funding increases, but just so we are all on the same page, the outlook for the City budget over the next five years is kind of stagnant – at best."

Lisa Krieg, CDBG Grants Manager, spoke on behalf of SVSC. She stated that nonprofit organizations can apply for up to a \$10,000 grant from the City of Norman through SVSC. "One of the unique things about SVSC is that it is one of the few funding sources that are eligible for general operation expenses, basically keeping the lights on; whereas, most funding sources to foundations, and other grants, require it to be for a specific program or for a designated output," Krieg said. Each year the SVSC Commission goes through an application process to determine the funding amounts for each applicant. So far, in Fiscal Year '25, SVSC has received 35 applications requesting a total of approximately \$332,500. Krieg stated that the large amount of applicants has triggered the request for a budget increase.

Firehouse Art Center Executive Director and Curator Andy Couch stated that attendance at Firehouse Art Center has doubled over the past year and he is expecting it to triple in 2025. "We have moved our budget up to about \$700,000 due to the use of the space and the demand that we're having," Couch said. "We're kind of firing on all cylinders you might say in terms of classes and programs. We're collaborating with a lot of different communities now within Norman and Oklahoma City." Couch stated that Norman Public Schools do not offer visual arts education in their elementary schools. "Something we've done this year is start a partnership with Norman Public Schools. It's called the "Art Spark" Program," Couch said. This program serves fifth grade students in Norman. Couch hopes to develop the program for first, second, third, and

fourth grade students as well, but believes it will require the hiring of a full-time art educator. "I guess it is too great of a number to do that in our public schools so we've kind of been the facilitator for that," Couch said.

Councilmember Grant asked, "If we keep funding the same as last year, will that make or break you continuing the fifth grade program?"

Couch replied, "It would be very difficult to continue that. I would have to cut back on either other positions or make a really hard decision on finding funding for that program."

Shari Jackson with The Depot/Performing Arts Studio addressed the Committee with her request for additional funding. Jackson stated, "For about 20 years, The Depot has been running a 365 day a year waiting room for the Amtrak train service. All of the associated staffing costs, supplies, cleaning and everything, we had pretty much been subsidizing; so, we came to the City last year to ask for a little support." The City granted The Depot/Performing Arts Studio \$50,000 last year. "We've discovered that it might take a tiny bit more, so we're only asking for \$5,000 more," Jackson said. "We do not subsidize any of our arts program for the community with that money. That is directly the money that it takes for the robust operation of an Amtrak service waiting room which is part of the City's deal with getting that building as a gift. We are happy to facilitate that service. Our ask from the City is that we get some funding to help support the creation of that which we think at about fifty-five grand is probably a bargain for 365 days a year." [Note: At the time the City took ownership of The Depot, there was no passenger rail service in Norman. The City acquired and refurbished the building for historic preservation purposes.]

Shari Jackson also represented the Norman Music Alliance which produces the Norman Music Festival. Jackson stated that the Norman Music Festival is the largest music event in the state of Oklahoma and that their last festival had record crowds prior to the event shutting down due to the risk of severe weather. "We now work closely with the Oklahoma film and music office as we all try to brainstorm together how to bring the power of music and the music industry in Oklahoma and keep it here, and make it centered in Norman," Jackson said. "Our estimated economic impact on the weekend is about \$3.5 million that benefits mostly our downtown Norman, local businesses." Jackson stated she is requesting "help facilitating the container that allows this beautiful thing to happen and some logistical help on that side". Her budget request reflects \$27,000 for the container and the remainder of her request is for staffing. Jackson reported, "We've got a surplus in the bank so we're in a nice, solid financial position right now;" however, she has noticed hesitancy in the market with donor commitments to sponsorship. Jackson credits the surplus in their account to the American Rescue Plan Act (ARPA) Funds that were received to help arts organizations like this recover from the pandemic.

Chair Holman stated, "We know that although we have had record revenue in the last several years, which has allowed us to increase many of these budgets over the last few years, we have a little bit less positive of an outlook right now; so, I would encourage all Councilmembers to think about these and let staff know if you want to include any of them in the budget or not. That'll be a discussion that Council continues to have until June when we make a vote on the final budget."

Councilmember Montoya raised questions about the Norman Economic Development Coalition (NEDC). The Norman Economic Development Coalition dedicates itself to improving the quality of life of Norman residents through the creation and retention of jobs. City Manager Darrel Pyle, who represents the City on the NEDC Board of Directors, stated that their request for funding

will be brought to Council as a new contract for consideration. Norman Economic Development Coalition is laying out their regional approach to a Cleveland County Coalition. They are expected to have a dollar per capita contribution formula that includes Moore, Noble and Slaughterville. With their new contract, it is still anticipated that NEDC will be obligated to provide the City with annual, audited financial statements. Councilmember Nash showed concern regarding the City providing support to NEDC if they are supporting political agendas. "Once they start having a lobby to get policy changed, I think they should be pulling out and they shouldn't be getting that in depth with the way our government works, so like with the arena, the TIF, once it's outside of the realm of tracking business, trying to get people to change their opinions to get them on board with one way or the other - it's political. I just want to make very sure that funding NEDC isn't funding a political organization to change our policy or the design of our city inappropriately," Nash said. Francisco gave examples of NEDC advocating for jobs and Norman's economic health that could be considered political.

Darrel Pyle stated, "Those are absolute questions we can have Mr. Knighton and his team review before that's (new contract) agenda-ized for Council action." Norman Economic Development Coalition representatives will be invited to present their new structure at the next Finance Committee Meeting.

2. DISCUSSION REGARDING THE TRIENNIAL AUDIT.

Internal City Auditor Shaakira Calnick presented the Fiscal Year 2025-2027 Triennial Audit Plan draft. She explained that she met with the City's 13 departments and their subdivisions to complete risk assessments to determine auditable areas. "The majority of the City's auditable units ended up in a very low risk category," Calnick said. Eight auditable units are in the high risk category, forty auditable units are in the moderate risk category, and eighty-five auditable units are in the low risk category. Calnick reviewed the auditable units with the Committee, gave a time frame as to when each audit would be completed, and explained the objectives of each audit. Calnick said, "The anticipated value from these audits would be enhanced internal controls."

Calnick expects 60% of her time to be allocated to scheduled audit services and the remaining 40% of her time to be allocated to unscheduled audits and investigations. She has put in a budget request for the hiring of a second auditor. Councilmember Hinkle asked if it would be more cost affective to hire an additional auditor on an as-needed basis. Calnick replied, "Third party contracts just cost us more money so the idea that I would have, would be to hire subject matter experts so that we don't have to constantly look external and we can keep that talent in house." Councilmember Hinkle said, "Could we hire a third party to do the low risk audits, that way you're more focused?" Calnick replied, "My strategy for that is those low risk audits can be conducted through consultations or reviews so if you see that you ended up on a low risk audit for your division or your department say, 'Hey what do we need to do to improve?' Consult me. We can review it and I give you some recommendations and by the time the audit comes around it's nothing to audit."

Darrel Pyle added, "There is a list of state approved audit firms on a state contract and public agencies can just call one right off the list and the procurement process has been handled through the state. There may be those kinds of experts already on the state contract so it would be easy and fast (to select one)."

Calnick closed with stating she would bring back the final Triennial Audit Plan to the Council's study session and then have it put on the Council's agenda for adoption.

3. DISCUSSION REGARDING MONTHLY REVENUE AND EXPENDITURE REPORTS.

Anthony Francisco gave the report. February Sales Tax remittance was not positive. It was down by approximately 5%. "February is always one of our larger months, so that kind of locks us into a negative trend for this fiscal year," Francisco said. "Just know that this will be impacting our budget decisions going forward. We'll have to take a really hard look at next year's budget as a first step in changing that long-term course." Francisco stated that the tax trends that Norman has seen are reflective across the state.

Councilmember Holman said, "I think the whole Council probably would want to see listed out what are the biggest causes of our budget issue, projected deficit and what would be a list of things that we would be considering to cut."

Darrel Pyle stated, "What you'll see before we get to June 30th is a slowing of filling existing vacant positions and with the lion's share of our budgets being bodies, our goal would not get into a layoff scenario or a furlough scenario but just manage the number of bodies providing the services as accurately as possible to make sure we do not bump into that next level of urgent budgetary reaction."

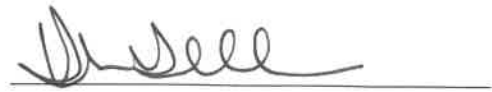
ADJOURNMENT

Councilmember Holman adjourned the meeting at approximately 5:50 PM.

ATTEST:


Deputy City Clerk




Mayor