



CITY OF NORMAN, OK NORMAN FORWARD SALES TAX CITIZEN FINANCIAL OVERSIGHT BOARD MEETING

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

Tuesday, April 04, 2023 at 3:30 PM

MINUTES

It is the policy of the City of Norman that no person or groups of persons shall on the grounds of race, color, religion, ancestry, national origin, age, place of birth, sex, sexual orientation, gender identity or expression, familial status, marital status, including marriage to a person of the same sex, disability, retaliation, or genetic information, be excluded from participation in, be denied the benefits of, or otherwise subjected to discrimination in employment activities or in all programs, services, or activities administered by the City, its recipients, sub-recipients, and contractors. In the event of any comments, complaints, modifications, accommodations, alternative formats, and auxiliary aids and services regarding accessibility or inclusion, please contact the ADA Technician at 405-366-5424, Relay Service: 711. To better serve you, five (5) business days' advance notice is preferred.

ROLL CALL

PRESENT:

Chair Andy Rieger
Member Cynthia Rogers
Member Saidy Orellana
Member Erik Paulson
Member Bree Montoya
Member Alva Brockus
Member Misty Grantham

ABSENT:

Member Andy Sherrer
Member Linda Price

OTHERS:

Anthony Francisco, Director of Finance
Kathryn Walker, City Attorney
Jason Olsen, Director of Parks & Recreation
Jacob Huckabaa, Budget Technician
Dannielle Risenhoover, Administrative Tech. IV

MINUTES

1. Consideration of approval, rejection, amendment and/or postponement of minutes from March 21, 2023

Member Brockus made a motion to approve the minutes from the March 21, 2023 meeting, which was duly seconded by Member Paulson. The motion passed unanimously.

Items submitted for the record:

Norman Forward Citizens Financial Oversight Board Minutes from March 21, 2023

REPORTS AND ACTION ITEMS

2. Implementation Plan Update

The Norman Forward Sales Tax Citizen Financial Oversight Board reviewed the draft update to the Norman Forward Implementation Plan (I-Plan). After the review, the Board shared comments and suggested edits to the I-Plan.

Chair Rieger suggested that the I-Plan reflect the Reaves Park project as being complete - the ribbon cutting for this project was held on March 25. Rieger also mentioned that he would like the I-Plan to state how the Norman Forward bonds are being paid back. He believes that this detail is important so citizens understand that the funds are collected through sales tax and are not from other sources. Anthony Francisco agreed with Rieger and suggested adding the following statement to the I-Plan: "The bonds will be repaid from revenues of the Norman Forward Sales and Use Tax."

Member Orellana suggested that additional graphs be included in the I-Plan to give citizens a clear visual of originally expected project costs vs. final project costs. Several Members also supported this suggestion. Member Brockus stated, "One thing the graphics do is point out in a real easy to see way, things that came in under budget and things that came in over budget - instead of having to stop and do the mental math in your head."

Member Rogers questioned the use of the words "published budget" on page 8 of the I-Plan. Anthony Francisco stated that this term refers to "the original, voted upon, allocation for these projects." Member Paulson suggested that the term "published budget" be revised.

Member Rogers disagreed with the original budget listed for Westwood Tennis Center. Anthony Francisco agreed that the original budget should be edited to reflect \$1 million. Rogers questioned how the budget was reflected for the Indoor Aquatics Center and the Multi-Sport Facility and Member Brockus questioned how the budget was reflected for Traffic Improvements. Based on this discussion, it was suggested that the I-Plan indicate what budgets include additional funding from non-Norman Forward sources.

Member Brockus moved to approve the updated Implementation Plan as revised and amended, which was duly seconded by Member Rogers. The motion passed unanimously.

Per Anthony Francisco, the amendments will be sent to the Board for their approval. At the point of Board approval, the updated Implementation Plan will be sent to City Council.

Items submitted for the record:

Draft Implementation Plan Update

3. Financial Pro Forma Update

Item 1.

Anthony Francisco gave the report. He explained that the Financial Pro Forma is an attachment to the Annual Report. This report details the projected revenues, and actual revenues and expenditures of the entire Norman Forward program. It also details projections and fund balances moving forward, given various assumptions on revenues and project costs.

Francisco stated, "The entire contract for the construction of the Young Family Athletic Center has been encumbered. By accounting practices, on the City's books, that money has been spent; however, it hasn't actually been spent. We haven't paid the contractor for the work they are going to do in the next 7-8 months." Francisco says that this report gives a cash picture of where the City will be financially, once this money is paid out. He says by this standard, the Norman Forward Fund is "ok". City Council is expected to take action to disencumber some money or reduce appropriations this fiscal year and re-appropriate the money next fiscal year to make the cash flows balance out. This Council action is assumed in the Financial Pro Forma report.

The big uptick in sales tax revenue last fiscal year, and it staying at that high level this fiscal year, has tentatively worked out cash flow problems that Board was previously concerned about.

Francisco states that the City will have spent down all of the bond money by the end of FYE 24, so the City will be working with the pay-as-you-go money after that. From a cash flow perspective, the major construction projects will be completed by FYE 24. The pay-as-you-go money will primarily be for the Trails project, existing parks and new parks. The Canadian Trail project is projected for FYE 30.

The assumptions used in creating this report were influenced by the direction of the Norman Forward Citizens Financial Oversight Board. The assumptions are that the Use Tax would grow at 5% per year and that Sales Tax would grow at 2% per year. Francisco stated, "Last fiscal year, Sales Tax grew at 20% and Use Tax has continued to grow at about 10% per year. This fiscal year-to-date, our Sales Tax is running at about 1.4%; but taken as a whole, because of what we did last fiscal year, we are getting back to our original projections for revenue."

Member Brockus moved to approve the Pro Forma Update and it was duly seconded by Member Paulson. The motion passed unanimously.

Items submitted for the record:

Financial Pro Forma Report

4. Annual Report

Anthony Francisco gave an overview of what the report included, highlighting: the discussion of construction projects; ADG completing their work; Sales Tax and Use Tax growth; previously approved Council actions; and the matching revenue from additional sources.

It was noted that Member Rogers' appointment to the Norman Forward Sales Tax Citizen Financial Oversight Board expires in 2025, not 2022. Each year when a Board Member's term is up, the City usually asks if the member would like to be reappointed. Upon acceptance of the appointment and Council approval, the member will be reappointed for another 3 years.

Member Orellana expressed concern about the State of Oklahoma eliminating the grocery sales tax and the problems it could create for City funded projects. The City has estimated the grocery sales tax to be about 20% of the overall sales tax revenue. Francisco stated that as an alternative to eliminating the grocery tax, cities have asked the State to consider rolling back their portion of the sales tax rate on groceries. "We always try to make sure the legislature understands, the state gets income tax; the state gets property tax; the state gets gross production tax; we (the City) don't. We only have sales tax," Francisco said.

Member Paulson moved to approve the Annual Report as amended, and it was duly seconded by Member Orellana. The motion passed unanimously.

Items submitted for the record:

Draft Annual Report

MISCELLANEOUS COMMENTS

City Attorney, Kathryn Walker stated that she has one operating agreement provision to work through with the Senior Center operator and a few provisions to work through with the Young Family Athletic Center (YFAC) operators. She is waiting on feedback from Norman Regional Health Systems and the YFAC operator. Walker states that the Norman Forward Citizens Financial Oversight Board will get an opportunity to review the final operating agreements for the Senior Center and the YFAC before they are presented to City Council.

Jason Olsen stated that the ribbon cutting for Reaves Park went well. He is very happy with the fields and how the Optimist Club is managing the leagues. Olsen said, "The layout of the park worked well for the Medieval Fair."

The James Garner extension project has started at University Boulevard and West Johnson Street (roughly proceeding from south to north). Road closures pertaining to this project should not occur except for a couple hours at a time. Chair Rieger noted that the location of the future roundabout intersection, on Flood Street, can be seen now.

The Board determined that the next meeting for the Norman Forward Citizens Financial Oversight Board will be May 23, 2023 at 3:30 PM.

ADJOURNMENT

The meeting adjourned at 4:10 PM.



Andy Rieger, Chair
Norman Forward Sales Tax Citizen Financial Oversight Board