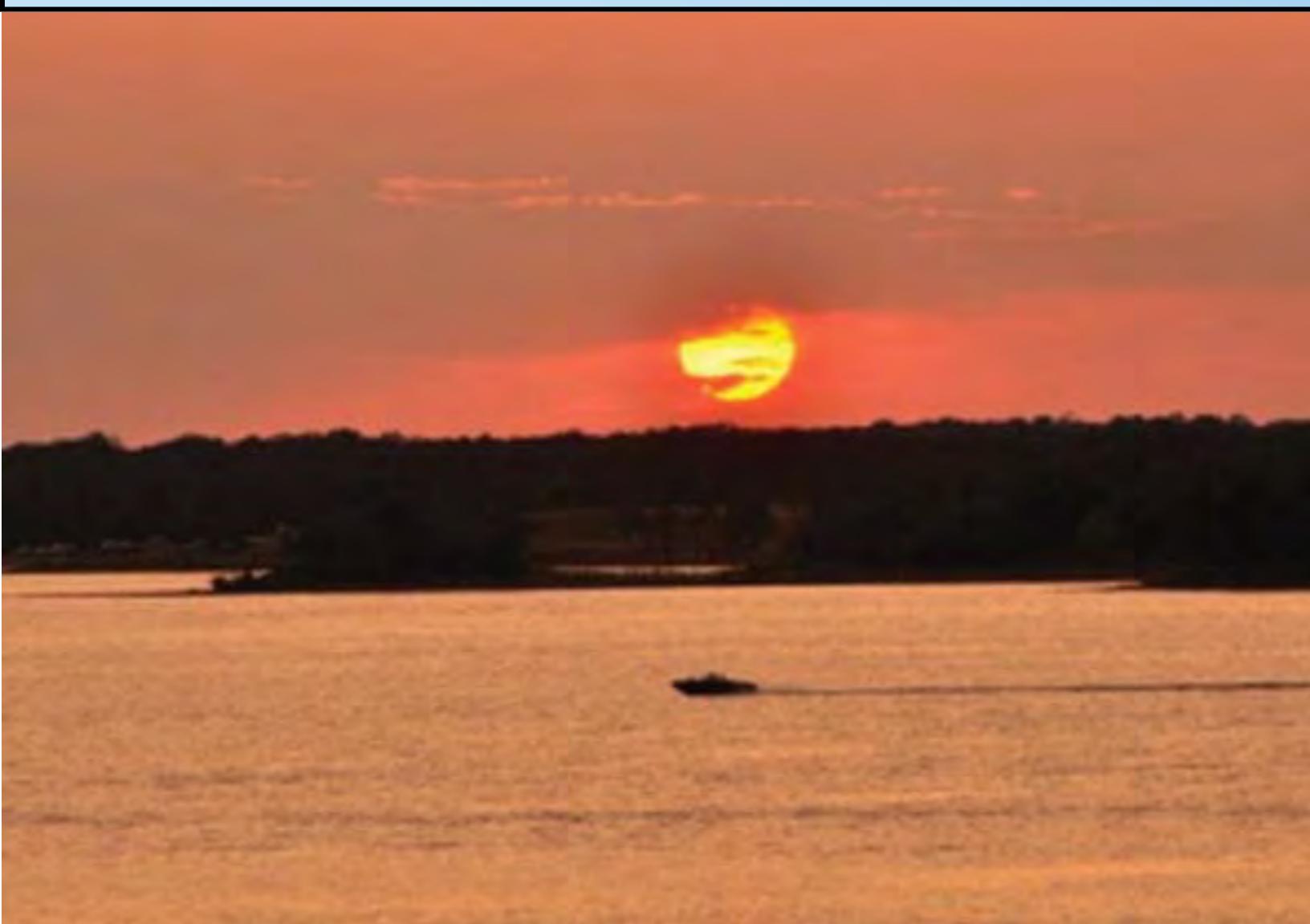




BUDGET



THE CITY OF NORMAN, OKLAHOMA

**FISCAL YEAR ENDING JUNE 30, 2017
FINANCIAL PLAN—FISCAL YEAR-END 2018-2021**



On the Cover—Norman’s Lake Thunderbird

Authorized by an act of the U.S. Congress on June 27, 1960 and fully operational in 1966, the Lake Thunderbird reservoir serves as Norman’s major source of drinking water. Jointly owned by the cities of Norman, Del City and Midwest City and operated by the Central Oklahoma Master Conservancy District, Lake Thunderbird is also a major recreational facility and wildlife preserve.

In August, 2016, the Norman Utilities Authority will retire its debt on the construction of Lake Thunderbird’s dam, spillway, water intake and pumping facilities, after 42 years. The City’s adopted 2060 Strategic Water Supply Plan calls for continued use of Lake Thunderbird as a source of potable water and adding to the water supply through a reuse (wastewater reclamation) program, recycling highly treated wastewater to Lake Thunderbird tributaries to supplement the water available to be drawn from the reservoir.

The cover and divider page artwork was prepared by the City of Norman’s Office Services Division staff, with photographs provided by the Norman Utilities Department and the Oklahoma Department of Tourism and Recreation.

CITY OF NORMAN



CITY COUNCIL

MAYOR

Cindy Rosenthal

Ward 1 Greg Heiple

Ward 5 Lynne Miller

Ward 2 Aleisha Karjala

Ward 6 Jerry Lang

Ward 3 Robert Castleberry

Ward 7 Stephen Tyler Holman

Ward 4 Greg Jungman

Ward 8 Kyle Allison

Presented by:

Steven D. Lewis, City Manager

CITY OF NORMAN

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This document was prepared by the City of Norman, Finance Department and printed by
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THE CITY OF NORMAN

OUR MISSION

“WORKING TOGETHER TO DELIVER EXCEPTIONAL SERVICE”

To fulfill our mission, City of Norman employees pledge themselves to these values:

TEAMWORK

We value each other's contribution and encourage teamwork.

CARING

We value service to others in a caring manner. We listen with a willingness to understand the needs of others. We respond in a friendly, helpful way.

ACCOUNTABILITY

We are responsible for our work and actions.

SERVICE

We are committed to providing exceptional service in a courteous, dependable and efficient manner.

RESPECT

We respect our differences and treat each other with understanding and dignity.

FAIRNESS

We seek to understand the needs of others. We strive for equity in the delivery of services and in the treatment of individuals.

PROFESSIONALISM

We value a knowledgeable, capable and effective organization.

RESPONSIVENESS

We value a timely response to both customer and employee.

We believe that these values are the foundation of all our endeavors to make our community a better place now and for future generations.

CITY OF NORMAN



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Norman
Oklahoma**

For the Fiscal Year Beginning

July 1, 2015

A handwritten signature in black ink, appearing to read "Jeffrey P. Evans".

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Norman, Oklahoma, for its annual budget for the fiscal year beginning July 1, 2015

In order to receive this award, a governmental unit must publish a budget document that meets the program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

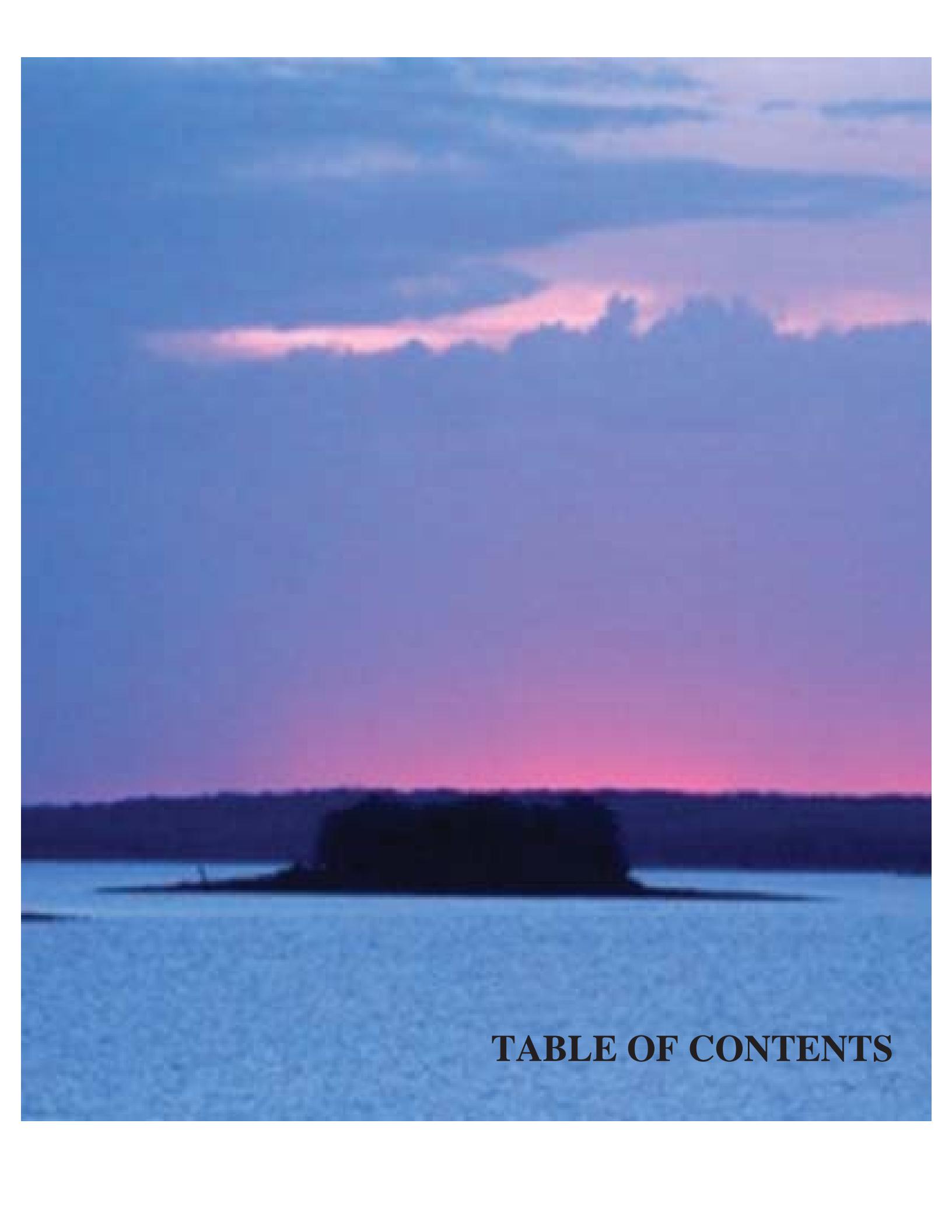
The background of the image is a wide-angle photograph of a natural landscape. The sky is filled with horizontal clouds, transitioning from deep blue at the top to vibrant pink and orange near the horizon. Below the sky, there's a dark silhouette of what appears to be a forested hillside or a range of mountains. In the foreground, there's a body of water, possibly a lake or a wide river, with some small, distant boats visible.

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A wide-angle photograph of a sunset over a calm body of water. The sky is a gradient from deep blue at the top to vibrant orange and red near the horizon. In the distance, a range of mountains is visible against the bright sky. The water in the foreground is a light blue-grey, with some darker ripples.

CITY MANAGER'S LETTER



The City of NORMAN

201 West Gray, Bldg. • P.O. Box 370
Norman, Oklahoma 73069 • 73070

CITY MANAGER'S OFFICE
Phone: 405-366-5402

June 24, 2016

The Honorable Mayor and City Council Members
Municipal Building
Norman, Oklahoma

Dear Mayor Rosenthal and Council Members:

INTRODUCTION

It is my privilege and responsibility to present to you the adopted budget for the fiscal year July 1, 2016 – June 30, 2017 (FYE 2017). The adoption of an annual budget is required by the City Charter (Article III, Section 4) and by State law (Title 11, Oklahoma Statutes, Section 17-205). An annual budget must be adopted by the City Council at least seven days before the beginning of the new fiscal year, certified by the Cleveland County Excise Board before the start of the fiscal year (July 1) and transmitted to the State Auditor and Inspector within 30 days of the start of the fiscal year. Council adopted the FYE 2017 by a unanimous vote on June 14, 2016. We encourage our citizens to explore their City's budget document, which contains interesting and vital information on all aspects of the City's operation as well as information of general interest on Norman.

The FYE 2017 budget has been prepared during exciting times of unprecedented levels of construction of public improvements in Norman but also during very turbulent economic times. These public improvements do not come without “growing pains” inherent in construction projects, but their completion will improve the long term status of Norman’s road and utility infrastructure. The construction projects themselves also improve the vitality of Norman’s economy in a time of great uncertainty in our local economy overall. The downturn in the nation’s petrochemical industry has had a significant and continuing negative impact on the Oklahoma economy. Historically, Norman has had a delayed reaction to the effects of downturns in the oil and gas industry, but as the petrochemical industry cuts back, reductions at the State of Oklahoma impact more directly on Norman. This year’s budget is reflective of concern over the timing and depth of those impacts on the City of Norman’s budget, particularly on those areas driven by sales and use tax revenues.

The total budget for all City of Norman funds for fiscal year ending 2016 was \$197,758,644 and for FYE 2017, the total proposed budget is \$288,371,097. The primary reason for this significant budget increase is the public improvement construction projects mentioned above. The projects will be discussed in more detail in later sections, but they can be summarized as follows:

- Water Treatment Plant Process Improvements;
- NORMAN FORWARD Projects (Libraries and Westwood Complex);

- Lindsey Street Widening and Drainage Improvements, funded by General Obligation Bonds;
- Emergency Communications and Dispatch Facility.

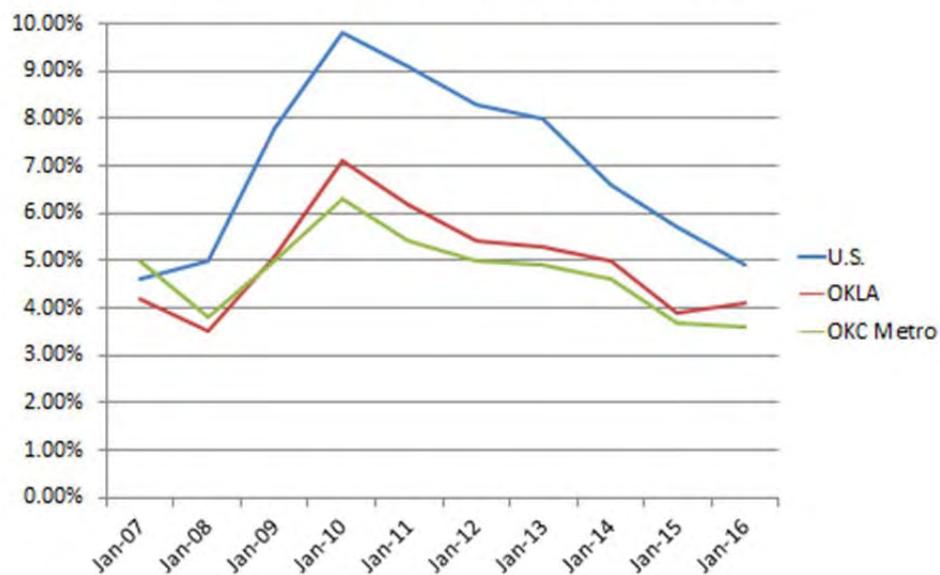
The Oklahoma Department of Transportation also has major road improvement projects underway in Norman. The reconstruction of the Interstate 35 interchanges with Lindsey Street and State Highway 9, along with the widening of State Highway 9 in east Norman, represent over \$100 million dollars in capital improvements being made to the public infrastructure in Norman. Further, the University of Oklahoma has over \$200 million dollars in improvements to housing and athletic facilities under way. The Norman Public Schools and Moore-Norman Technology Center also have major improvements planned or under construction. Public sector investment in Norman's infrastructure is progressing at a record level.

NATIONAL AND REGIONAL ECONOMIC TRENDS

The ongoing impact of the downturn in the national petrochemical industry on Norman casts a cloud of uncertainty on Norman's budget. The City of Norman has decades of history to demonstrate what we can expect to happen as a result of this down cycle in the oil and gas industry. As the oil and gas industry retracts, the State of Oklahoma's revenues (particularly from State Gross Production Tax revenues) contract. As a result of this, the State of Oklahoma's budget is reduced. In turn, the many large State employers in Norman (the University of Oklahoma, the Oklahoma Department of Mental Health and Substance Abuse Services, the Oklahoma Department of Veteran's Affairs, etc.) reduce their workforces and the Norman economy is affected in turn. This delayed, indirect impact on Norman's workforce, of retraction in the petrochemical industry's workforce is demonstrated below:

Unemployment Rates, 2007-2016

Source: U.S. Dept. of Labor, Bureau of Labor Statistics



These major Norman employers will feel the impacts of reductions in the State of Oklahoma budget, and their employees will feel the impacts of reductions by their employer. The behavior of these employees, our citizens, will in turn impact on our budget.

The considered opinion of most local and regional economists is that the health of the national, regional and local economies will effectively converge over the next year to year and a half. It can be expected that Norman's economy will have a period of slower growth and recovery over this time period. While there is little expectation of a severe downturn locally, or a recession nationally, the economic background from which this budget is prepared is based on this very slow growth scenario.

Sales tax growth patterns are a widely accepted indicator of the health of the local retail economy. The slower growth in Norman's sales tax experienced during FYE 2016, and the continued slow growth projected in FYE 2017 reflect the concerns about the continuing impacts of the oil and gas industry downturn on Norman's retail economy. Since the budget was originally presented to the Council in April, the impacts of the downturn in Norman's economy, as reflected in sales tax receipts have become more severe:



As the FYE 2017 budget year progresses, we will monitor sales tax receipts and our other major General Fund revenue streams and take remedial actions if the need becomes apparent.

MAJOR GENERAL FUND REVENUE SOURCES, Fiscal Year 2015-2016

Sales Tax - The major source of General Fund revenue is sales tax and by its nature, sales tax reflects the overall vitality of the local economy, as discussed above. Sales tax collections for FYE 2016 were 1.95 percent (+1.95%) above FYE 2015 levels, and slightly below budgeted levels (budgeted increase of 2.5%). In FYE 2017, the growth rate in sales tax revenue is projected to continue to be slow (+2%), reflecting the slowdown in the state and metropolitan area economies.

Use Tax - collections have grown steadily in FYE 2016 due to activity in the multi-family building industry and increased compliance with use tax laws by on-line retailers. Staff will emphasize the monitoring of use tax collections going forward, as out-of-state purchases of goods for use in Norman, such as internet purchases and purchases of construction materials for the local home building industry should be captured in use tax collections. At this writing, two legislative bills before the Oklahoma House of Representatives and State Senate address this issue from differing perspectives. The ongoing concern of proper payment of sales and use taxes by out-of-state vendors is a Federal issue, however. The City of Norman will continue to partner with other cities and agencies to monitor use tax collection efforts and legislative trends for the payment of taxes for on-line purchases.

Franchise fees – These are payments made by private utility companies (Oklahoma Gas and Electric, Oklahoma Natural Gas, Cox Cable, etc.) to the City of Norman General Fund for their use of the public rights-of-way. Franchise payments are directly tied to utility revenues, which are heavily influenced by seasonal weather patterns (similar to the direct impact of weather on Norman Water Utility revenues). Franchise Fee revenues are projected to be below overall budgeted projections for FYE 2016 by approximately \$260,000, due primarily to mild summer and winter weather conditions. Collections are projected to increase by three percent overall in FYE 2017.

Licenses and Permits – These are payments made for obtaining trade licenses to do business in Norman and for obtaining permits to build or alter structures in Norman. Permit volume and revenues are, therefore, an important proxy for the vitality of the local homebuilding industry, which in turn has impact on sales and use tax growth rates, and a direct and significant impact on revenues from the Sewer Excise Tax on New Development (Wastewater Utility revenues are separated from the General Fund). Permit volume and values have experienced very healthy growth in recent years, due primarily to large multi-family housing developments that have been constructed recently or that are currently under construction. This activity has continued in fiscal year 2015-2016 with two major apartment complexes under construction. It can be expected that building activity will decline in FYE 2017-2018, however, as multi-family building is expected to decline from the levels of the previous 2-3 years. Staff will continue to monitor these trends, as the homebuilding industry can act as an indicator of the health of the overall local economy and sales tax base.

Other Taxes – This revenue category primarily reflects the City of Norman's receipt of state shared Motor Vehicle and Tobacco Taxes.

Fines and Forfeitures – This revenue category is for citation payments for municipal offenses (traffic/parking fines, etc.). Fine and forfeiture revenue is below budget for FYE 2016, due to a decrease in the number of citations issued. FYE 2017 revenue projections in the fines category were reduced due to changes in state statutes, as discussed in the Council Actions Section below.

Investment Income – Investment income reflects the return on the investment of General Fund moneys on hand before they are expended. Due to the decline in fund balances available for investment and bond market conditions, investment income is not a major source of General

Fund revenue, but investment portfolio practices will continue to be closely monitored due to their impact on other City funds.

GENERAL FUND RESERVE LEVELS

The City of Norman, in keeping with State law and standards of financial prudence, seeks to maintain adequate levels of fund balance to meet emergency expenditure demands, unexpected claims for worker's compensation, medical or torts against the City. Fund balance can only be appropriated for expenditure by an act of the City Council, and the adoption of the budget appropriates projected funds for expenditure in the upcoming fiscal year, less funds that are held in fund balance. Norman has adopted fund balance policies in keeping with accepted accounting standards. By Ordinance O-1011-58 (adopted June 28, 2011), the City adopted formal reserve policies for the General Fund which require that a two percent (2%) Emergency Reserve account be appropriated within the General Fund budget; at least three percent (3%) of budgeted General Fund expenditures be held in General Fund balance (these are considered Operating, or "unrestricted" reserves by accounting standards) and at least an additional three percent of General Fund expenditures must be held in a segregated Net Revenue Stabilization (or "Rainy Day") Fund. The Ordinance targets 4.5% of General Fund expenditures and up to a maximum of 6% of General Fund expenditures be held in the Net Revenue Stabilization Fund. The Ordinance requires that at least the minimum fund balances be restored to the Rainy Day Fund within three years of its establishment, or within three years of any appropriation of fund balance in the Fund. Funds held in Net Revenue Stabilization Fund balance can only be appropriated by the Council if at least one of three circumstances is met:

- The General Fund Operating Reserve falls below one percent (1%) of budgeted expenditures;
- A natural or man-made disaster, declared by the President of the United States or the Governor of Oklahoma for the Norman area, has been declared which necessitates emergency expenditures to be made above the two percent Emergency Reserve appropriation;
- A major one-time or capital expenditure has been necessitated, such as for major repairs to City of Norman facilities or equipment damaged in storms or other circumstances.

Net Revenue Stabilization Fund balances are considered to be "Committed" fund balances under accounting standards. The combination of these Fund balance reserve requirements results in a minimum of eight percent (8%) of General Fund expenditures to be held in reserve, a target of 9.5% and a maximum of 11 percent (11%). The City Council has never made any appropriations to spend money from the Rainy Day Fund.

As of the end of FYE 2016, the City projects to meet its Operating Reserve requirements in the General Fund, and the Rainy Day Fund is expected to be maintained at its Targeted (4.5%) level. Due to growth in General Fund expenditures, *a small "deposit" to the Rainy Day Fund*

(projected at \$88,500) may be necessary during FYE 2017 in order for the Fund to remain at its Targeted level.

Because of the inherent volatility in Norman's primary sources of General Fund revenue (sales and use tax) and Norman's susceptibility to extreme weather conditions (necessitating unexpected emergency expenditures), it is very important for Norman to maintain adequate fund balances. Projected and actual reserve levels will continue to be proactively managed, and balanced with the ability to provide adequate levels of service to our citizens from within available revenues. To help to ensure that reserve levels will be maintained at projected levels during FYE 2016, departmental managers were directed to reduce their operational budgets by two percent (2%) across-the-board. These reductions, along with projected savings from expenditures of the Emergency Reserve budget will help to maintain General Fund reserves at healthy levels, which is important in these uncertain times.

FISCAL YEAR 2016-2017 OPERATIONAL BUDGET PREPARATION

General Fund Budget Preparation

As noted in the Community Profile Section, the City of Norman runs a very small, efficient operation compared to cities with similar populations. It is to the credit of the Council, our departmental managers and our employees that the General Fund has been able to operate within its means (revenues in excess of expenditures) for the last three fiscal years (FYE 2013-2015). Our projected expenditures, however, exceed our General Fund revenues in FYE 2016 and FYE 2017. The FYE 2017 General Fund budget was prepared with a long term view towards addressing this inequity and with an eye towards the uncertainty in our local economy and the volatility in our major General Fund revenue sources. Two major factors may impair our ability to manage General Fund expenditures within projected revenues in FYE 2017. First, due to an anomaly in the payroll calendar, ***we are forced to budget for an extra pay period in FYE 2017.*** Basically, every other leap year, the bi-weekly payroll schedule has to "catch up" to the calendar. This extra pay period affects every City fund that has personnel, but the General Fund impact is particularly significant, adding over \$1.7 million to this year's General Fund budget.

Second, ***the General Fund and Capital Funds are forced to absorb the costs of Federally-mandated expansions to our stormwater drainage and stormwater quality improvement programs.*** These National Pollutant Discharge Elimination System (NPDES) regulations were made a part of the Clean Water Act of 1990 and are administered by the U.S. Environmental Protection Agency. The regulations seek to protect drinking water supplies, such as Norman's Lake Thunderbird, by reducing "point-source" contamination into tributaries of the Lake and into Municipal Separate Storm Sewer Systems (MS4s). The citizens of Norman and the Council have been educated on these standards for many years and the City of Norman adopted a plan to comply with the regulations in 2009 with our ***Stormwater Master Plan.*** For cities the size of Norman, however, ***the regulations are now in effect.*** To minimally comply with the standards that are now in place, the General Fund budget proposes to ***add a Stormwater Inspector position to the Public Works Department, Stormwater Quality Division and a Maintenance Worker II to the Stormwater Drainage Division.*** Additional street sweeping equipment is also proposed to

be added, at the expense of the Capital Fund. Proposals for the full implementation of the expanded Stormwater Quality and Drainage programs will be discussed in the Utilities Section below, as ultimately the City of Norman will need additional revenues from the proposed Stormwater Utility to be fully compliant with the EPA NPDES stormwater regulations.

In response to citizen input and Council direction, the General Fund budget for FYE 2017 continues to expand Animal Welfare operations. The new ***Animal Adoption Center, funded by a voter-approved General Obligation Bond issue, will be staffed part-time with a Veterinarian*** to monitor the health of the animals and perform spay and neuter surgeries. The addition of the Veterinarian will enable the City to eliminate the expense of paying third-party veterinary clinics to perform spay/neuter procedures.

In response to recommendations from a management consultant study performed in FYE 2014, the Fleet Management Division continues to make operational changes to improve efficiency and effectiveness. In FYE 2017, ***the Division will separate its “heavy duty” and “light duty” operations*** to better utilize technical expertise and training. In an effort to better address the long-term underfunding of vehicle replacement discussed in the Fleet Management consultant study, the ***Council directed that additional revenue be made available from the Capital Fund for a one-time additional allocation of vehicle replacement funds.*** In addition to the funds made available from the capital outlay portion of the dedicated Capital Sales Tax, ***\$788,000 will be made available in FYE 2017 to replace vehicles and equipment in General Fund operations.*** We will continue to make this an area of emphasis in future years.

The ***Parks and Recreation Department is expanding its youth baseball programs,*** primarily by operating the programs for teen players in-house. These expanded programs will increase General Fund revenues from little league user fees by approximately \$180,000 to offset increased expenditures for such things as part-time umpires and equipment. The ultimate objective is to increase the participation in Norman's youth baseball programs.

The Planning and Community Development Department embarked on a major update to the City's comprehensive land use plan in FYE 2016. This ongoing effort will receive input from the previous land use plan "Norman 2025"; from the recently-completed Comprehensive Transportation Plan; from the Urban Land Institute's Griffin Hospital Site Redevelopment Plan; and from the Center City Visioning Plan program that is currently underway. The comprehensive planning process will involve substantial public input, outside consultant guidance and coordination and will require the dedication of tremendous staff resources. The outcome of the comprehensive land use planning effort, however, will guide Norman's growth and development patterns for many years to come.

Due to the significant increase in the number of multi-family housing units in Norman, the Utility Customer Service Division of the Finance Department has experienced a significant increase in the volume of customer contacts and requests. Current staffing levels, which are at the same level they were in 1980, have been insufficient to respond to customer service requests. ***The FYE 2017 budget proposes to add a Customer Service Representative position, to address these concerns.*** The General Fund will be reimbursed for the costs of these positions by the City's Water, Water Reclamation and Sanitation Utilities.

Personnel Cost Assumptions

Personnel costs are the major driver of expenditures in the General Fund and impact on expenditures in every City operation. A major component of personnel costs is the cost of benefits provided to City of Norman employees. The fiscal year 2016-2017 budget is based on the following assumptions for personnel costs:

- Budgeted positions are assumed to be filled for the full fiscal year;
- Employees are assumed to receive a merit step raise, if they would qualify;
- An Employer Contribution of \$628 per month (single) and \$1269 per month (family) for health insurance;
- An Employer Retirement contribution of 8.5% of payroll for Norman Employees Defined Contribution Retirement System members;
- An Employer Pension contribution of 13% of payroll for state-mandated Police Pension System members and 14% for Firefighter Pension System employees;
- Mandated Social Security and Medicare contributions for all non-fire employees;
- An assumption of \$800,000 in “Employee Turnover Savings” is built into the budget (approximately 1.6% of Salary and Benefit Category allocations), under the assumption that the net impact on the General Fund of the savings achieved by employees leaving during the course of the year and hiring replacement employees at a lower salary at a later time will outweigh the cost of one-time payouts (accrued leave payouts, etc.) to employees who leave;
- Other allowances and payments, as mandated by union contracts and City policies are anticipated and included in budgeted benefit costs (approximately 80% of the City of Norman’s workforce is unionized, as illustrated in the Overview/Statistical Section).

Public Safety Sales Tax Fund Budget Preparation

In May, 2008, the citizens of Norman approved a temporary ½ percent Public Safety Sales Tax Ordinance (Ordinance O-0708-32), which was in effect from October 1, 2008 through September 30, 2015. This original Public Safety Sales Tax (“PSST I”) funded 41 additional Police Department personnel and 30 additional Fire Department personnel over the seven-year life of the tax. The PSST I also financed the construction of two additional fire stations, construction of an Investigations Center and briefing station, fire apparatus purchases, replacement of the City’s Computerized Dispatch and Records Systems, and a contribution to the Rainy Day Fund balance.

On April 1, 2014, the citizens of Norman approved a permanent extension of the Public Safety Sales Tax, effective October 1, 2015. The permanent ½ percent Public Safety Sales Tax (“PSST II”) will be used to maintain the 71 personnel added during the PSST I period and the following additional personnel:

- 13 Police Officers to implement a School Resource Officer (SRO) Program, jointly funded by School Districts;
- 4 Communications Officers (Dispatchers);
- 2 Mechanics to maintain emergency vehicles.

In addition to these 19 added personnel (bringing the total personnel added by the PSST I and PSST II to 90), the PSST II Ordinance directs that the following, prioritized, Critical Public Safety Capital Facilities be purchased:

- | | |
|-----------------------------------------------------|--------------|
| • Emergency Communications System Replacement | \$15,000,000 |
| • Emergency Operations/Dispatch Center Construction | \$ 6,500,000 |
| • Fire Apparatus Replacement Program | \$ 6,800,000 |
| • Reconstruction/Relocation of Fire Station #5 | \$ 3,500,000 |

School Resource Officer Program

The first six of the SRO personnel – a Police Lieutenant and five Police Officer positions - were added to the FYE 2016 budget. These personnel will be deployed to Norman Public Schools (NPS) at the beginning of the 2016-2017 school year. An agreement between the City and NPS has operationalized this partnership.

Communications Officer Staffing

As discussed above, a major part of the PSST II program is the expansion and improvement of the City's Emergency Communications and Dispatch functions. The replacement of the City's communications hardware and software systems is currently in systems design and vendor selection processes, and the new Emergency Communications and Operations Center facility will begin architectural design phases in the summer of 2016. As originally planned in the PSST II program, *the first two of a total of four additional Emergency Communications Officers (Dispatchers) will be added to the PSST Fund budget in FYE 2017.* This additional staffing will enable emergency calls to be handled more effectively, and will reduce overtime costs and turnover in Dispatcher staff.

Other Special Revenue Funds

The City of Norman operates several other special revenue funds to account for separately-funded operations in several areas. In some cases, the General Fund provides support to these areas, but some legally-earmarked revenues pay for the functions in whole or in part.

Among these special revenue operations, Norman's Community Development Block Grant (CDBG) Program received increased funding in the last fiscal year for a special program to repair infrastructure in rural areas of Norman that was damaged in tornadoes, severe storms, flooding and wildfires over the last three years. *The City of Norman, Cleveland County and surrounding municipalities were awarded CDBG Disaster Recovery Grants of over \$31,000,000 in FYE 2016.* This rare opportunity will result in the improvement of over 12 miles of rural roads and bridges in east Norman. The repair projects will be ongoing throughout fiscal year 2016-2017.

Operational Budget Summary

The fiscal year 2016-2017 operational budget continues to provide financial resources for basic service levels, and adds resources in some areas targeted by the City Council. General Fund Operational Reserves are projected to exceed their targeted levels as of the end of FYE 2017. The City's Net Revenue Stabilization ("Rainy Day") Fund is being maintained at its Targeted level, and efforts will be made to maintain this level in the future. Due to the downturn in the national and regional petrochemical industry and its customary delayed impact on Norman's local economy and revenue bases, it is particularly important and prudent for the City to maintain these reserves at this time. The City has had some success in managing to bring General Fund costs in line with annual revenues, but the long-term sustainability of this trend is questionable.

Capital Expenditure Budget Preparation

Major City of Norman capital improvement projects are funded by the dedicated 7/10% (0.7%) capital sales tax, the temporary, dedicated ½ percent (0.5%) NORMAN FORWARD Sales Tax (NFST), utility ratepayer fees, bond issuances and other sources. Capital projects are discussed in detail in the separate Capital Improvement Projects Budget document, and summarized in the Capital Projects Funds Section of this document. The Capital Sales Tax (CST) also funds capital equipment, fleet and computer replacement and other "capital outlay" items through transfers from the Capital Fund to the General Fund or related special revenue funds.

ERP System Replacement Program

The City of Norman has operated its major computer enterprise information systems (such as, accounting; budget; building permit and license issuance and monitoring; treasury/accounts receivable; court administration; payroll; purchasing/accounts payable; etc.) on the same basic hardware and software platforms for over twenty years. The current midrange hardware and enterprise software have served the City well through various upgrades, and extensive maintenance and repairs. The need for a comprehensive replacement of the City's Enterprise Resource Planning Systems (ERP) has been identified as an immediate priority. The full replacement of these systems will take years of time and millions of dollars, but the first steps have been taken. The City will soon engage outside consultants to identify system requirements, user needs and state of the art systems to meet the City's ERP needs for many years into the future. Once this assessment is complete, staff will recommend options to the Council for proceeding with identifying funds for the ERP project through budgetary measures and/or short-term financing methods.

Fleet Replacement Program

As discussed above, the Council has directed that a high priority be given in the City's capital programs to replacing its fleet of vehicles and rolling stock. The FYE 2017 budget carries out the direction of the Council Finance Committee to re-direct funds that would have been allocated to a seven percent contingency (Capital Fund Balance) by the previous formula for allocating capital sales tax funds, to supplement vehicle replacement funding:

**PREVIOUS CAPITAL SALES TAX
ALLOCATION FORMULA**

Capital Projects	36%
Capital Outlay	27%
Street Maintenance	25%
Contingency	7%
Facility Maintenance	5%

**FYE 2017 CAPITAL SALES TAX
ALLOCATION FORMULA**

Capital Projects	36%
Capital Outlay	27%
Street Maintenance	25%
Fleet Replacement	7%
Facility Maintenance	5%

This proposed change would make an additional \$788,660 available to address critical fleet replacement needs in the General Fund and special revenue fund operations. The Fleet Maintenance Division has identified over \$10,000,000 of critical replacement needs (vehicles and equipment that are more expensive to maintain than they would be to replace). It will take a long-term concerted effort such as this year's for the City to "catch up" with its fleet replacement needs, but this is a major step in that direction. With the additional \$1,800,000 of funding made available through the "regular" Capital Outlay portion of the CST allocation formula, the FYE 2017 budget allocates over \$2,500,000 for fleet replacement in General Fund-related operations.

Capital Project Support

The Council discussed delays in the time between the appropriation of funds for capital projects and the start and/or completion of those projects. By their nature, capital improvement projects can take months or years to complete, but Council was disappointed with many projects having funds allocated for years with little progress being made on the projects. The cause for these delays in many cases was found to be the lack of adequate staffing to support the projects. Even in those cases where capital projects are actually designed or built by outside contractors or consultants, considerable City staff time is required in project scoping, consultant review and selection, plan review, bid specification, and construction oversight. In response to Council's concerns, the FYE 2017 Capital Fund budget proposes to add additional capital project support staff. The proposed FYE 2017 General Fund budget includes funding for an additional Capital Projects Engineer and a Construction Manager in the Public Works Department, at the expense of the Capital Improvement Projects Fund. This will bring the capital project support staff funded by the Capital Fund to a total of 6 employees (from the current 4).

NORMAN FORWARD Sales Tax Capital Projects Fund

On October 13, 2015, the citizens of Norman approved a ½ percent (0.5%), 15-year duration sales tax to pay for quality of life improvements throughout Norman. The "NORMAN FORWARD" initiative was brought to the City Council by a group of citizens in the spring of 2015, and was studied by the Council with significant public input throughout the summer of 2015, leading up to the referendum being voted on in the fall. The approved initiative includes the following major capital projects:

- New Central Branch Library \$ 39,000,000
- New East Branch Library \$ 5,000,000

• Neighborhood Park/Trail Projects	\$ 14,500,000
• New Indoor Aquatic Facility	\$ 14,000,000
• Westwood (Outdoor) Pool Facilities	\$ 12,000,000
• Griffin Park Soccer Facility	\$ 11,000,000
• Griffin Park Land Acquisition	\$ 10,000,000
• Reaves Park Baseball/Softball Facility	\$ 10,000,000
• New Community Park Development	\$ 9,500,000
• New Indoor Multi-Sport Facility	\$ 8,500,000
• James Garner Avenue Extension	\$ 6,000,000
• Road Improvements	\$ 2,730,000
• Canadian Trails Wilderness Park Development	\$ 2,000,000
• Westwood Tennis Center Improvements	\$ 1,000,000

Many of the NORMAN FORWARD projects were identified and prioritized in the City of Norman's *Parks Master Plan*, adopted in November, 2009. Preliminary work was done on many of the projects in FYE 2016 and major portions of the NORMAN FORWARD capital program are included in the FYE 2017 budget:

New Central and East Branch Libraries – approximately \$39,300,000 is budgeted in FYE 2017 for the construction of the new Norman Public Library, Central Branch, to be located on Acres Street at James Garner Avenue, and for the construction of the new Norman Public Library, East Branch, to be located in the vicinity of Alameda Street and N.E. 30th. Separate bids for the construction of both library buildings are expected to be received in late 2016 or early 2017. The East Branch is expected to take approximately 18 months to build, and the Central Branch is expected to take approximately 30 months to complete.

Westwood Aquatic Facility – \$12,000,000 is included in the FYE 2017 budget for design and construction of the complete rebuilding of the Westwood Park Swimming Complex. The aggressive schedule calls for the demolition of the existing facility immediately after the close of the summer swimming season in August, 2016 and the opening of the newly rebuilt facility in time for the beginning of the summer swimming season in June, 2017. Significant community input has already been obtained into the final design of the new swimming facilities.

Design and construction of the Westwood Tennis Facility improvements (\$1,000,000) is also included in the FYE 2017 budget.

Sports Facilities Design – approximately \$4,300,000 in funding is included in the FYE 2017 budget for the design of the new and repurposed sports facilities at Reaves Park, Griffin Park and on the University of Oklahoma's North Campus (the Indoor Aquatic Facility and Indoor Multi-Sport Facility are proposed to be constructed on land leased from OU), and the road improvements to support them.

The NORMAN FORWARD Ordinance also authorizes funds from the NORMAN FORWARD Sales Tax (NFST) to be used for other projects and services such as public art at NFST facilities; a senior citizen's center; and staff and consultant support in the design, construction and maintenance of the NFST facilities. Because of the intended completion schedule of the major

NFST projects, debt financing was anticipated and authorized to move the projects forward ahead of the tax revenues being received. The first of three anticipated Sales Tax Revenue Note issuances was completed by the Norman Municipal Authority in December, 2015 to accomplish this goal.

The City of Norman is extremely proud of the confidence placed in us by the *citizens of Norman, in approving the NFST Ordinance with a 72% approval rate*. The City Council has made it a very high priority to make sure that the projects are completed on budget and in a timely fashion, and staff and several appointed citizen committees are working very diligently to adhere to this direction.

Street Resurfacing/Reconstruction Program

The voters of Norman approved five-year duration General Obligation Bond (property tax based) programs to pave, repave and reconstruct roads throughout Norman in 2005 and 2010. The urban asphalt and concrete street resurfacing, rural road surfacing and major street reconstruction programs have been highly successful. *On April 5, 2016 the voters of Norman re-authorized this five-year G.O. Bond program, with a 73 percent (73%) approval rate*. The first portion of the authorized bonds (approximately \$15 million of the total \$25 million authorized) is proposed to be sold in June of 2016, and the continued resurfacing programs are scheduled to begin in the fall of 2016. Approximately \$5.2 million is included in the FYE 2017 budget for projects to be constructed under this newly re-authorized program.

University North Park Development

Significant growth is happening in the University North Park development (“UNP”, the Planned Unit Development area bordered by I-35, Robinson Street, OU-Westheimer Airport and Tecumseh Road). This growth is facilitated by public improvements funded by the City of Norman’s UNP Tax Increment Finance District (TIF). The completion of the City’s newest community park, Legacy Park in UNP has already spurred the development of an adjoining restaurant property, and has generated additional interest in the development as a whole. A multi-family housing development is under construction in the northern part of UNP, and several other buildings and businesses are under construction or nearing completion. The first commercial tenant in the Norman Economic Development Coalition’s UNP Corporate Centre (UNPCC), Immuno-Mycologics Incorporated (“IMMY”) has a major facility under construction. IMMY is a manufacturer of biomedical equipment, primarily testing equipment for the early screening of diseases. IMMY’s major markets are in developing countries outside of the United States, and their markets are rapidly growing. It is hoped that with the first commercial tenant facility under construction, the UNPCC will attract further employers to Norman, which was a major goal of the TIF incentive and apportionment of City sales and property taxes.

The City, along with the developers of UNP are considering to undertake a coordinated master plan study of the development’s possibilities, given current market conditions and developments that have occurred to date. The traffic impacts of these potential developments will also be considered, with input from an ongoing study of the Interstate 35 corridor being done by the Oklahoma Department of Transportation.

UTILITY ENTERPRISE FUNDS

Norman Water Enterprise Utility

The City of Norman operates three utility enterprises: Sanitation, Water, and Water Reclamation (also known as “Wastewater” or “Sewer”). Enterprise funds are established to account for the operations of the City that endeavor to operate like private businesses, in that their services are provided to a discrete base of customers, as opposed to the citizenry as a whole, and user fees are charged to those customers at a level that seeks to recover the full costs of providing the services. The budgetary status of the Water and Wastewater Utilities are driven in large part by major capital projects.

The Norman Water Utility is undertaking a ***major project to improve drinking water quality for its customers*** through improvements to the treatment processes at the Vernon Campbell Water Treatment Plant. These improvements were directed by the NUA Trustees/Council to produce higher quality water than mandated by federal and state standards, and to ***address taste and odor issues*** that have been experienced periodically. ***The FYE 2017 budget includes \$26,157,000 towards this project.*** The major components of the project are as follows:

- Primary Disinfection facilities, using ultraviolet light treatments
- Ozone Treatment to control taste and odor, pharmaceuticals and algal toxins
- Bio-filtration of treatment process residuals
- Replacement of high service pumps
- Installation of on-site chlorine generation facilities
- Replacement of chemical feed facilities
- Construction of a new Chemical Storage Building

It is expected that construction will begin on the major portions of these improvements in the fall of 2016. The Water Utility is also proceeding with major capital projects to add water supply through the addition of ground water treatment facilities to enable wells that do not meet current drinking water standards to be brought back on line, and to add new water wells. The Norman Utility Authority’s ***2060 Strategic Water Supply Plan*** also calls for future water supply to be provided through advanced treatment of reclaimed wastewater to “augment” Lake Thunderbird water supplies (see inside of the Budget document cover).

Norman Water Reclamation (Wastewater) Utility

Major improvements are underway at the Norman Water Reclamation Facility (WRF). The improvements will include an expansion of the treatment capacity from 12 million gallons per day (MG/D) to 17 MG/D, to serve the Utility customer’s treatment needs for an estimated 15 years. When the programmed improvements to the WRF are completed (scheduled completion is early 2017), the WRF will be positioned to produce treated sewage of a sufficient quality to serve irrigation and industrial purposes (i.e., cooling towers, etc.) for major commercial customers in the vicinity of the WRF. Providing reclaimed water for these irrigation and industrial purposes will save substantial and valuable drinking water for the customers of Norman’s Water Utility. The use of reclaimed wastewater is among the long-term water supply

options being considered by the Norman Water Utility (see inside of the Budget document cover). The current phase of the WRF improvements is expected to be completed in early 2017.

Norman Sanitation Utility

The Norman Sanitation Utility provides automated municipal solid waste collection, transfer and disposal customers for City customers. The Utility also provides recycling drop-off centers, yard waste collection and composting services, bulky item pickup and participates in a household hazardous waste disposal program. Curbside recycling collection services, included in basic sanitation customer rates, are provided by an independent contractor. The Sanitation Utility, like the general City operation, has historically underfunded its fleet replacement needs. Sanitation trucks are a major capital expense for the utility, costing hundreds of thousands of dollars each. Delaying the replacement of the sanitation fleet, however, results in more equipment down time, higher maintenance and operational (fuel) costs and reduced productivity. In response to the Council/NUA's direction, the FYE 2017 Sanitation Utility's proposed budget increases its capital equipment (primarily fleet replacement) budget from the customary \$1,600,000 to \$2,327,655. Future budget consideration will be given to increasing capital equipment allocations in the Sanitation Utility.

Norman Storm Water Utility

Since the National Pollutant Discharge Elimination System (NPDES) regulations were pronounced by the U.S. Environmental Protection Agency in the 1990's, the City of Norman has known that its programs in stormwater drainage management, point-source water quality mitigation and other factors would, by law, have to be improved. Since the adoption of the City of Norman's *Stormwater Master Plan* in 2009, the City has had a plan for how to meet these regulations and professional estimates of the costs to do so. The City of Norman has not, however, implemented a stormwater utility fee to pay for the improvements, as have most cities confronted by the same mandated costs. Other cities in Oklahoma and across the country have implemented similar storm water program enhancements over the past 20 years through the adoption of Storm Water Utility (SWU) rates. Norman is the only large city in Oklahoma without a SWU. City Council began consideration of a SWU in 2006 including adoption of the City's Storm Water Master Plan in November 2009. Extensive community dialogue has taken place on this topic over the past 10 years.

The City's current Storm Water Program budget in FYE 2016 is \$3,072,053, all of which is funded through the General Fund. The Capital Fund is also burdened by the cost of replacing stormwater-related fleet replacements and storm drainage-related capital projects. Unfunded federal and state mandates to address storm water quality in the City of Norman began in 2005. Those mandates increased in FYE 2016, as the outcome of the Lake Thunderbird Total Mass Daily Load study became known, and the Oklahoma OKR04 Storm Water Phase II Permit deadline became effective.

Staff estimates the additional cost of these new mandates and other storm water programs requested by the City Council and citizens will require an annual Storm Water Program budget of \$7,325,000, or an additional \$4,252,950. The additional storm water services will include

expanded street sweeping through Norman; proactive stream/channel maintenance; water quality enhancements for Lake Thunderbird; and enhanced maintenance of and capital improvements to storm drainage facilities in Norman's neighborhoods (storm sewer cleaning, flume and gutter repair, public detention facility maintenance, etc.). The City has improved its Storm Water Program services in FYE 2016 and more enhancements are needed in FYE 2017 and subsequent years. If additional revenue is not generated through a SWU or other funding mechanisms, the City's General Fund will suffer and the City of Norman will fall out of compliance with the requirements for its Phase II Storm Water Permit. In response to these and other needs, the Council has placed a referendum on the ballot for August 23, 2016 for the voters of Norman to consider the implementation of a stormwater utility fee.

CAPITAL BUDGET

Detailed information on individual capital improvement projects is given in the FYE 2017 Capital Improvements Project (CIP) Budget document. Pursuant to voter-approved ordinances, seven-tenths of one percent (0.7%) of sales tax revenue is dedicated for capital improvements, accounted for in the Capital Fund. By Council budget policy, these dedicated capital sales tax funds are set aside according to the following formula in FYE 2017, as discussed above:

- 36% for pay-as-you-go capital projects
- 27% for capital outlay
- 25% for street maintenance
- 7% for Fleet Replacement
- 5% for maintenance of existing facilities

The FYE 2017 City budget is increased significantly from the FYE 2016 budget, primarily because of new capital project allocations. The construction of these capital improvements will add to Norman's economic vitality in both the immediate and long-term future.

CITY COUNCIL BUDGET ACTIONS – ADOPTION OF THE FYE 2017 BUDGET

The City Manager's Proposed Budget was presented to the City Council in a series of public study sessions on April 19th, 26th and May 2nd. The Council continued its consideration and discussion of budget-related issues leading up to the Public Budget Hearing held at the May 24th Council meeting. Final consideration of the budget was held on June 14, 2016 and the budget was unanimously adopted with the following amendments:

Norman Forward sales tax revenue projections were reduced by \$-149,025, to match the projections for the Public Safety Sales Tax;

Capital Fund allocations were increased by \$117,667 for a continued contribution to a regional commuter rail feasibility study;

Public Safety Sales Tax revenue projections were decreased by \$53,897 to match the negotiated contribution from the Norman Public School District for the SRO program;

General Fund Franchise fee revenue projections were increased by \$100,000 to reflect an increase in the Oklahoma Natural Gas franchise fee rate;

General Fund Fine and Forfeiture revenue projections were decreased by \$60,000 due to changes in Oklahoma statutes for the adjudication of Driving Under the Influence cases;

General Fund Other Revenue category revenue projections were increased by \$200,500 to reflect anticipated reimbursement revenue from the Federal Emergency Management Agency.

Taken together, these amendments enabled current-year budgeted General Fund revenues to exceed current-year budgeted General Fund expenditures for the first time in many years. Actual budget performance will continue to be monitored.

SUMMARY

The significant increase in Norman's proposed fiscal year 2016-2017 budget demonstrates the investment that our citizens are making in their city. Through transformative capital improvement projects such as the I-35 widening and interchange improvements; State Highway 9 widening; Lindsey Street widening and stormwater drainage improvements; Emergency Operations/Dispatch Center construction; NORMAN FORWARD Library, Westwood and recreational improvements; and Water Treatment Plant improvements, our City is truly investing in itself and readying itself for a positive future. In the meantime, however, we must continue to work to be able to provide the day-to-day basic services that our citizens demand and deserve, and that remain thinly stretched. It is to the great credit of our policy makers, City employees and our citizens that Norman continues to be able to provide these basic services and capital improvements.

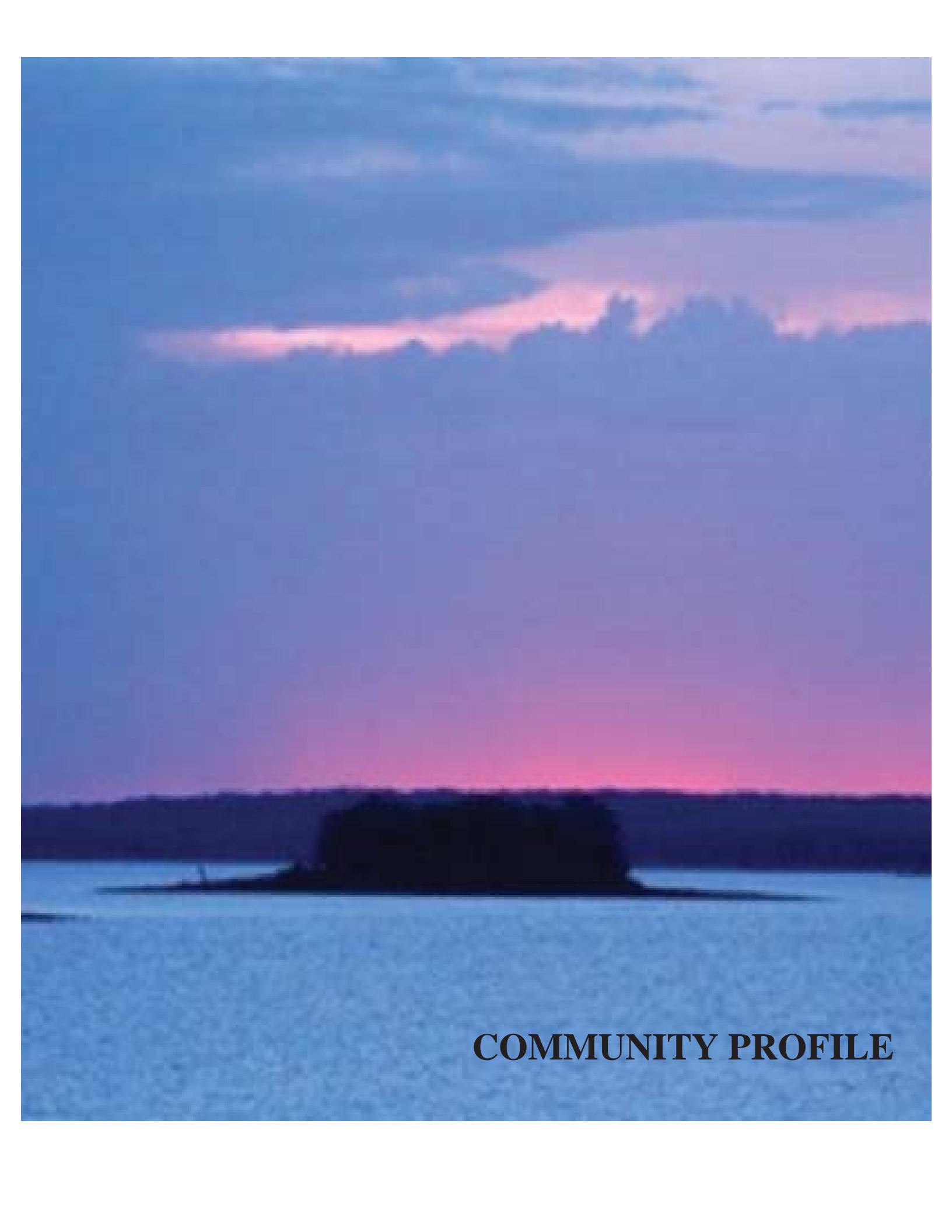
CONCLUSION

I would like to express my personal appreciation for the outstanding work done by our professional staff of our Management Team, senior division managers, and our dedicated Finance Department staff who have worked countless hours to prepare this budget and respond to the information and policy direction requests that have come from Council, the Council Finance Committee, and from the public. It is my privilege to present this budget to our citizens and utility ratepayers and to work to implement it in providing the services they justifiably demand.

Sincerely,



Steven Lewis
City Manager

The background image shows a wide landscape during a golden hour. In the foreground, there's a body of water with small ripples. A dark, rounded landmass or rock formation sits in the middle ground. The sky is a vibrant mix of orange, yellow, and blue, with long, wispy clouds stretching across the horizon.

COMMUNITY PROFILE

History of Norman, Oklahoma

In 1870, the United States Land Office contracted with a professional engineer to survey much of Oklahoma territory. Abner E. Norman, a young surveyor, became chairman and leader of the central survey area in Indian Territory. The surveyor's crew burned the words "NORMAN'S CAMP" into an elm tree near a watering hole to taunt their younger supervisor. When the "SOONERS" (those who headed west before the official Land Run date, April 22, 1889) and the other settlers arrived in the heart of Oklahoma, they kept the name "NORMAN." Today, with an estimated 121,041 residents, Norman is the third largest city in the State of Oklahoma.

Norman was primarily developed around the Santa Fe Railroad. Home to a passenger depot as well as a freight station, Norman became the headquarters for the railway. As business grew, it was necessary to expand the depot three times in the first few years of its existence. The last expansion was announced by J.E. Hurley, General Manager of the Santa Fe Railway, in 1909. The Santa Fe Depot was deeded to the City in 1972 and has had major renovations over the past ten years.



The City of Norman has agreed to preserve and maintain the Santa Fe Depot as a historical landmark and use the building in a manner as to benefit the entire community. Performing Arts Studio, Inc. leases the building for rental of meetings, banquets and parties. Daily Amtrak passenger service is provided at the depot as well.

The railroad laid the foundation for Norman to flourish into a prominent city. While other Oklahoma towns were battling to be the capitol, Norman's Mayor, T.R. Waggoner, directed a bill through the Territorial Legislature to become home of the state's first institution of higher learning. In 1890, Norman was chosen as the location for the University of Oklahoma (OU), contingent upon the county passing bonds to construct a building. Town and country residents were also required to donate 40 acres of land for a campus site. The residents of Norman were successful in all their plans to be OU's home and by 1895, the university enrolled 100 students. Today, the Norman campus has an enrollment of approximately 25,829.

Today, OU and the City of Norman are still making history. Norman is recognized as one of the most progressive cities in the state and the Norman Public School system is acknowledged as one of the top school systems in Oklahoma.

Norman's rich history plays an important role in citizen's lives and we continually make our history book more exciting with each passing year.

Norman—The City of Festivals

Widely recognized as the “City of Festivals”, Norman is the host of several annual festivals that are free to the public. Spring and Summer festivals include the Medieval Fair, Earth Day Festival, Norman Music Festival, May Fair, Jazz in June, and Midsummer Night’s Fair in July. Fall and Winter festivals include a Holiday Celebration in December and the Chocolate Festival held in February.



Holiday Celebration in December



Medieval Fair held in the Spring



Chocolate Festival in February



Jazz in June



Earth Day Festival in April



Midsummer Night's Fair held in July

Photos courtesy of Norman Convention & Visitor's Bureau and Norman Parks & Recreation

Community Profile

Norman is Oklahoma's third largest city and is home to the University of Oklahoma Sooners. Family oriented activities are abundant in Norman. Places of interest include Lake Thunderbird, great shopping areas including Campus Corner and Downtown Norman, and the Sam Noble Oklahoma Museum of Natural History. The City of Norman also sponsors several events throughout the year including Norman Day, held on the 4th of July and Norman's annual "Best" Easter Egg Hunt.



Max Westheimer Airport



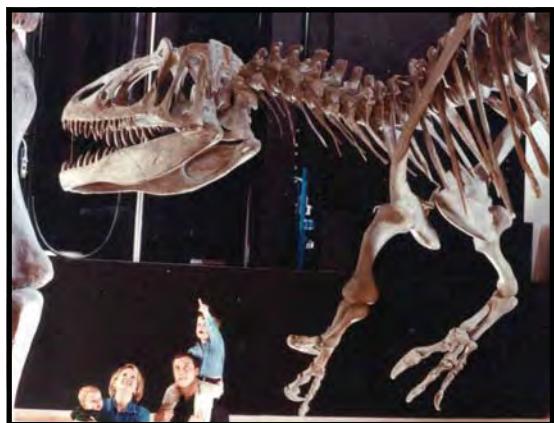
Owen Field and Oklahoma Memorial Football Stadium



Easter Egg Hunt at Andrew's Park



Lake Thunderbird



Sam Noble Oklahoma Museum of Natural History



Norman Day at Reaves Park

Photos courtesy of Norman Convention & Visitor's Bureau

Community Profile

Municipal Parks and Recreation



Community & Special Use centers	10
Number of developed parks	63
Developed park acreage	990.85
Number of undeveloped parks	6
Undeveloped park acreage	180.55
18-hole golf courses	1
Disc golf courses	4
Swimming pools	5
Sprayground / Water Playground	2
Waterslides	2
Tennis courts	24
Skate park	1
Competition baseball / softball fields	31
Competition Soccer fields	25
Neighborhood practice baseball fields	30
Neighborhood soccer practice goals	25
Recreational football fields	4
Outdoor half-court basketball courts	27
Outdoor full-court basketball courts	5
Recreational / Fishing Ponds	9
Dog Parks	1
Miles of Walking Trails	31.3

Demographic Statistics Last Ten Years

Year	(1) Population	(2)	(3) Median Age	(4) School Enrollment	(5) Unemployment Rate
		Per Capita Income			
2007	110,349	24,532	29.6	13,152	4.2
2008	111,543	28,159	28.2	13,546	3.1
2009	112,551	25,244	28.4	14,025	4.5
2010	110,925	24,586	30.4	14,366	4.9
2011	113,169	28,603	30.2	14,644	4.3
2012	114,451	28,193	29.4	15,022	3.9
2013	119,151	25,316	29.1	15,129	4.0
2014	117,528	28,273	29.9	15,601	3.5
2015	119,188	n/a	n/a	15,819	3.1
2016	121,041	n/a	n/a	16,046	3.1

Sources:

- (1) 2007-2009 and 2011-2015 Estimated – City of Norman Planning Department, 2010 – U.S. Census figure, 2016 Estimated – City of Norman Finance Department
- (2) 2007-2014 City of Norman Per Capita Income, U.S. Census Bureau; 1-yr. American Community Survey Estimate
- (3) 2007-2014 U.S. Census; 1-yr. American Community Survey Estimate
- (4) Norman Public Schools Accreditation Report
- (5) U.S. Department of Labor, Bureau of Labor Statistics - City of Norman unemployment rate, 2016 – Four months of calendar year 2016

N/A – Information not currently available

Community Profile

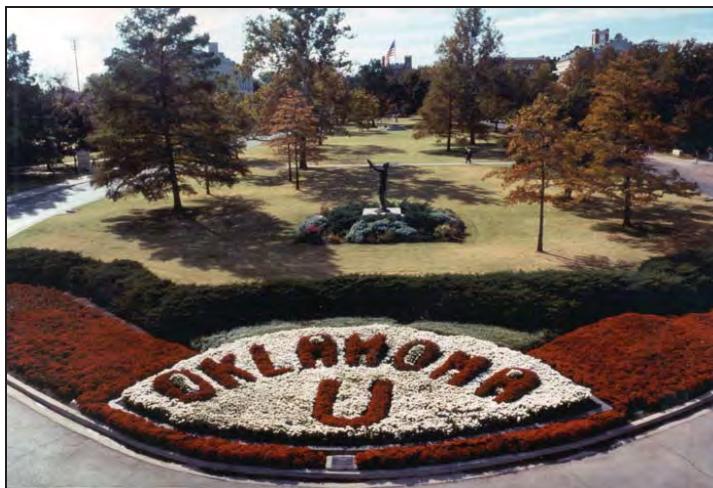
Facilities and services not included in the reporting entity:

Hospitals:

Number of Hospitals	2
Number of licensed patient beds (Norman Regional)	219
Number of licensed patient beds (Healthplex)	168

Education (2015-2016 School Year):

Total school enrollment – Norman Public Schools	16,046
Number of elementary schools	17
Number of elementary students	7,979
Number of elementary school instructors	596
Number of secondary schools	6
Number of secondary school students	8,067
Number of secondary school instructors	495
Number of vocational technology centers	1
Number of universities	1



The University of Oklahoma campus

Major Employers in Norman

<u>Name</u>	<u>Product / Service</u>	<u>Employees</u>
The University of Oklahoma (Norman Campus only)	Education Services	12,734
Norman Regional Hospital	Medical Services	2,933
Norman Public Schools	Education Services	1,875
York International / Johnson Controls	Heating / Air Conditioning	950
City of Norman	Government Services	859
Wal-Mart Supercenters	General Merchandise Retailer	795
NOAA National Severe Storm Laboratory	National Weather Services	550
Dept. of Mental Health & Substance Abuse Service	Mental Health & Substance Abuse Services	515
Hitachi	Computer Products	505
Oklahoma Veterans' Center – Norman Division	Medical Services	413
USPS National Center for Employee Development	Government Service	396
Sysco	Food Service Distributor	337
Sitel	Business Process Outsourcing	300

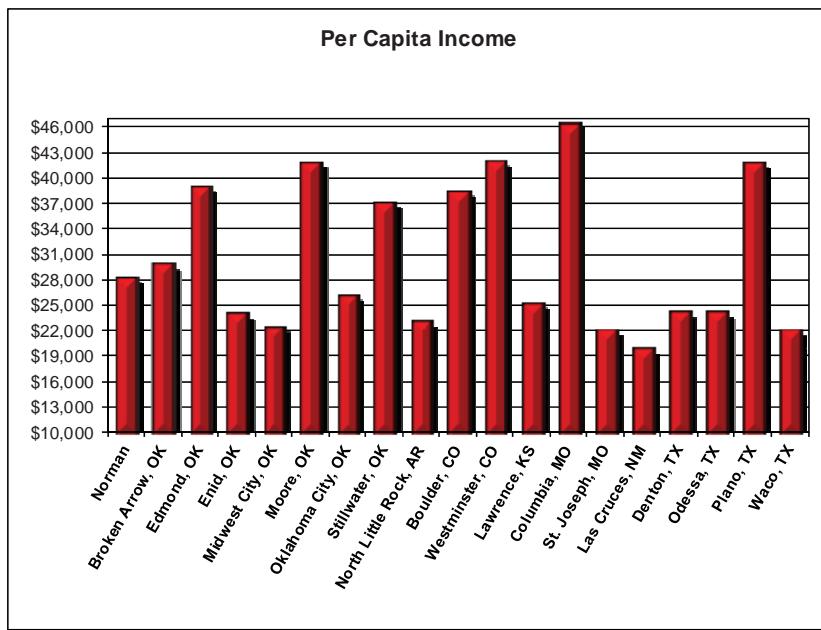
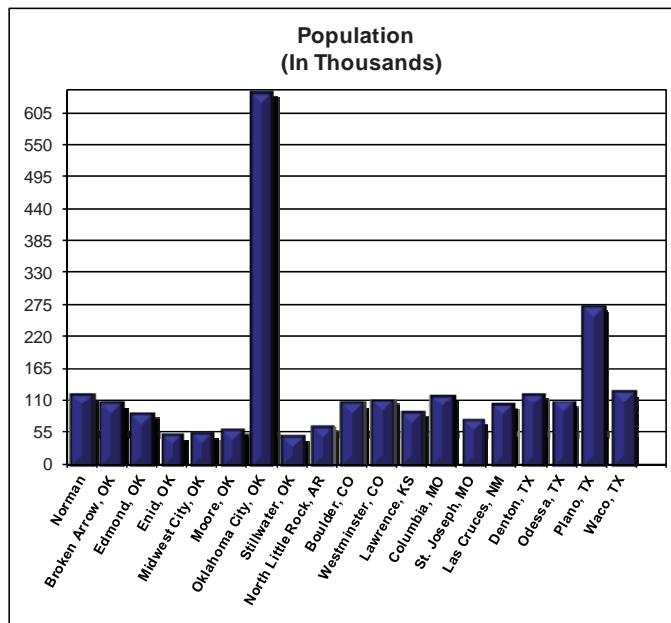
CITY OF NORMAN

INTER-CITY BENCHMARK COMPARISONS

For purposes of comparative analysis, Norman compares (“benchmarks”) itself to 18 other cities for a variety of criteria. These cities are generally selected based on the following factors.

1. Population within 20 percent (+ / - 20%) of Norman’s
2. Located within a Metropolitan Statistical Area
3. Site of a major university
4. Located in the state of Oklahoma or a bordering state

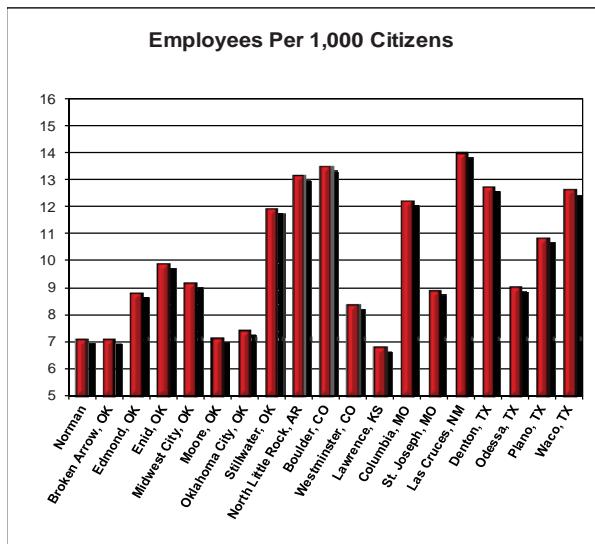
City	Population	Median Age	Square Miles
Norman	121,041	29.9	189.5
Broken Arrow, OK	104,726	35.3	60.0
Edmond, OK	87,877	34.9	87.0
Enid, OK	51,386	36.5	73.9
Midwest City, OK	54,371	35.2	28.0
Moore, OK	60,000	31.5	22.0
Oklahoma City, OK	641,010	34.6	620.3
Stillwater, OK	48,406	23.7	28.0
North Little Rock, AR	66,075	35.9	54.6
Boulder, CO	105,101	29.9	25.8
Westminster, CO	112,090	36.3	35.0
Lawrence, KS	90,811	26.7	34.8
Columbia, MO	118,519	27.2	65.2
St. Joseph, MO	76,780	35.6	44.0
Las Cruces, NM	103,163	31.1	77.0
Denton, TX	122,759	27.9	97.4
Odessa, TX	107,158	31.2	45.9
Plano, TX	273,900	38.1	72.2
Waco, TX	126,217	28.4	105.0



ANNUAL BUDGET

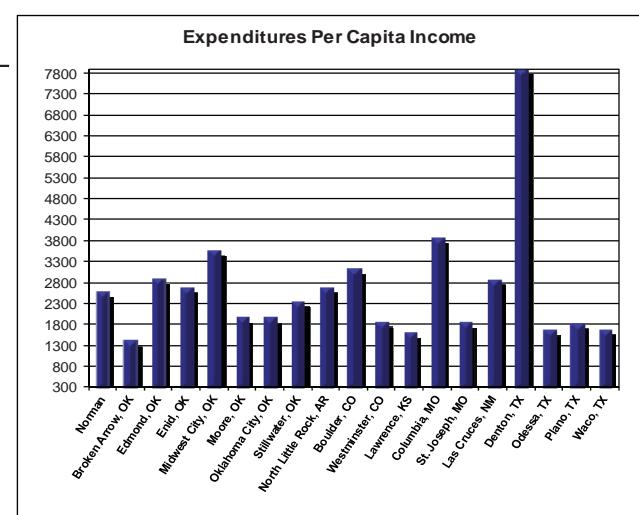
CITY OF NORMAN

City	Public School Enrollment	Unemployment Rates	Top Three Property Tax Payers
Norman	16,046	3.00%	Oklahoma Gas & Electric (OG&E), Wal-Mart/Sam's Club, Links at Norman
Broken Arrow, OK	28,417	5.90%	Public Service Company, Wal-Mart Stores Inc., Valor Communications
Edmond, OK	23,965	3.50%	not available
Enid, OK	8,100	3.50%	Advance Foods, ADM Milling, Oklahoma Gas & Electric (OG&E)
Midwest City, OK	13,542	4.30%	Sooner Town Center, Oklahoma Gas & Electric (OG&E), GS Legacy Corner, LLC
Moore, OK	23,000	3.60%	Oklahoma Gas & Electric (OG&E), KRG Shops at Moore, LLC, Wal-Mart Real Estate Business
Oklahoma City, OK	45,577	3.70%	Oklahoma Gas & Electric (OG&E), Devon Energy Headquarters, Oklahoma Natural Gas (ONG)
Stillwater, OK	6,285	4.20%	ASCO Aerospace USA, LLC, Breckenridge Group Stillwater OK, LLC, The Links at Stillwater
Fort Smith, AR	14,048	7.70%	Mortgage Clearing Corp., Lereta LLC, Corelogic Tax Services LLC
North Little Rock, AR	9,169	5.70%	McCain Mall, LR Enclave Apartments, Foothills Acquisition, LLC
Boulder, CO	30,939	3.20%	IBM Corp., Public Service Co. of Colorado, Macerich Twenty Ninth Street, LLC
Westminster, CO	not available	3.40%	not available
Lawrence, KS	11,941	5.10%	Westar, Wal-Mart, Black Hills
Columbia, MO	18,015	2.80%	Union Electric, Shelter Insurance, TKG Biscayne LLC
St. Joseph, MO	11,333	4.30%	Boehringer Ingelheim Animal Health, Belt Highway Investment, AG Processing Inc.
Las Cruces, NM	31,001	6.90%	El Paso Electric Company, Memorial Medical Center, Las Cruces Medical Center LLC
Denton, TX	26,312	3.20%	Paccar Inc. (Peterbilt Motors), Columbia Medical Center (Denton Regional Medical), Inland
Odessa, TX	30,450	3.40%	Western Denton Crossing Shopping Center
Plano, TX	54,818	3.60%	Odessa Regional Medical Center, Midland Investors LLC, BJ Services Company USA
Waco, TX	15,254	6.70%	Oncor Electric Delivery, TM Willow Bend Shops, JC Penney
			Mars Chocolate - North America, Coca Cola Company, L-3 Platform Integration



City	Full-Time & Permanent Part-Time Budgeted Positions	Employees Per 1,000 Citizens
Norman	859	7.1
Broken Arrow, OK	740	7.1
Edmond, OK	773	8.8
Enid, OK	509	9.9
Midwest City, OK	500	9.2
Moore, OK	429	7.2
Oklahoma City, OK	4,743	7.4
Stillwater, OK	578	11.9
North Little Rock, AR	870	13.2
Boulder, CO	1,419	13.5
Westminster, CO	940	8.4
Lawrence, KS	804	6.8
Columbia, MO	1,450	12.2
St. Joseph, MO	684	8.9
Las Cruces, NM	1,445	14.0
Denton, TX	1,565	12.7
Odessa, TX	967	9.0
Plano, TX	2,974	10.9
Waco, TX	1,593	12.6

City	Budgeted Revenues (In Millions)	Budgeted Expenditures (In Millions)	Expenditures Per Capita
Norman	\$273.38	\$308.57	\$2,549
Broken Arrow, OK	\$132.81	\$145.28	\$1,387
Edmond, OK	\$227.13	\$252.38	\$2,872
Enid, OK	\$134.72	\$136.91	\$2,664
Midwest City, OK	\$150.08	\$192.62	\$3,543
Moore, OK	\$116.38	\$116.38	\$1,940
Oklahoma City, OK	\$1,248.14	\$1,248.14	\$1,947
Stillwater, OK	\$115.10	\$112.90	\$2,332
North Little Rock, AR	\$175.24	\$176.27	\$2,668
Boulder, CO	\$319.54	\$326.98	\$3,111
Westminster, CO	\$248.01	\$206.39	\$1,841
Lawrence, KS	\$196.67	\$188.00	\$1,586
Columbia, MO	\$424.14	\$455.29	\$3,841
St. Joseph, MO	\$140.29	\$140.29	\$1,827
Las Cruces, NM	\$248.74	\$293.67	\$2,847
Denton, TX	\$968.58	\$968.17	\$7,887
Odessa, TX	\$174.40	\$176.23	\$1,645
Plano, TX	\$470.55	\$496.47	\$1,813
Waco, TX	\$209.19	\$209.19	\$1,657



ANNUAL BUDGET

Government Facilities and Service Statistics

Year of Incorporation: 1891

Form of Government: Council / Manager



Area in square miles

189.5

General Obligation Debt Rating (Moody's rating)

AA2

Number of Employees (excluding police and fire):

Union

298

Non-Union

153

Fire Protection:

Number of Stations	9
Number of fire personnel	163
Number of calls answered (for 2015)	13,304
Number of inspections conducted (for 2015)	3,566

Police Protection:

Number of stations (includes Norman Investigations Center)	2
Number of police personnel (includes emergency communications staff)	245
Number of patrol units	113
Physical arrests (for 2015)	5,086
Traffic violations (for 2015) (citations issued)	21,781
Parking violations (for 2015)	15,616
Number of reported crimes (part one crime index for 2015)	5,139
Calls for service (for 2015)	67,050

Sewerage System:

Miles of sanitary sewers maintained by the City	495
Miles of storm sewers maintained by the City	140.4
Number of treatment plants	1
Daily average treatment in gallons	10,400,000
Design capacity of treatment plant in gallons	12,000,000

Water System:

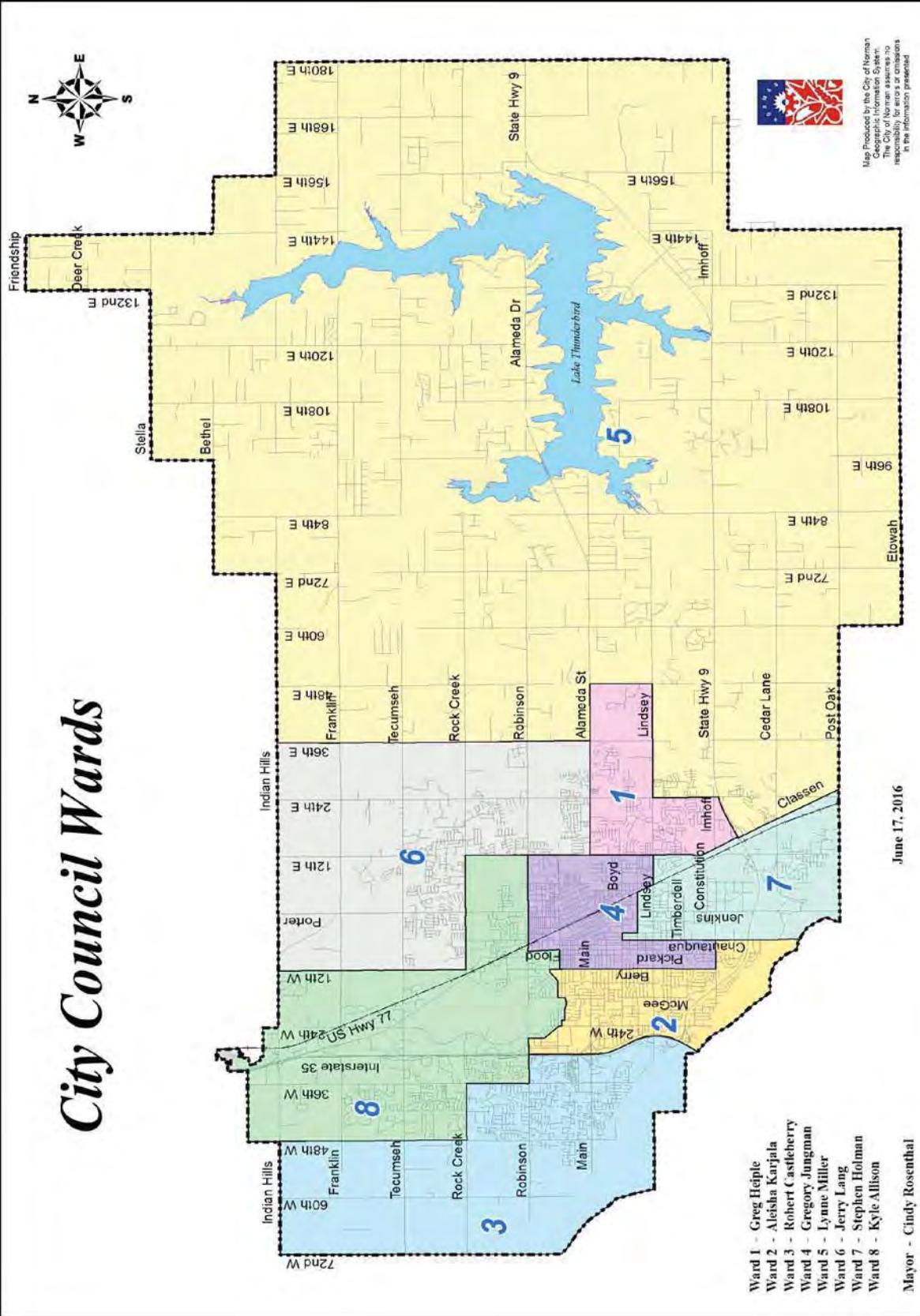
Miles of water mains maintained by the City	593
Number of service connections (includes 861 sprinkler connections)	37,061
Number of fire hydrants	5,865
Daily average production in gallons (for 2015-excluding water purchased from OKC)	12,307,068
Maximum daily capacity of plant in gallons	17,000,000
Number of water wells in operation	31

Street Maintenance:

Miles of urban streets maintained by the City	531.4
Miles of rural streets maintained by the City	228.7
Number of street lights	6,354
Number of signalized locations	250

CITY OF NORMAN

City Council Wards





A wide-angle landscape photograph capturing a serene scene at sunset or sunrise. The sky is a vast expanse of colors, transitioning from a deep blue at the top to a vibrant orange and yellow near the horizon. A range of mountains is visible in the distance, their peaks partially obscured by the low-hanging clouds. In the foreground, a calm body of water reflects the warm hues of the sky. A small, dark, irregular shape, possibly a rock or a small island, sits in the center of the frame. The overall atmosphere is peaceful and contemplative.

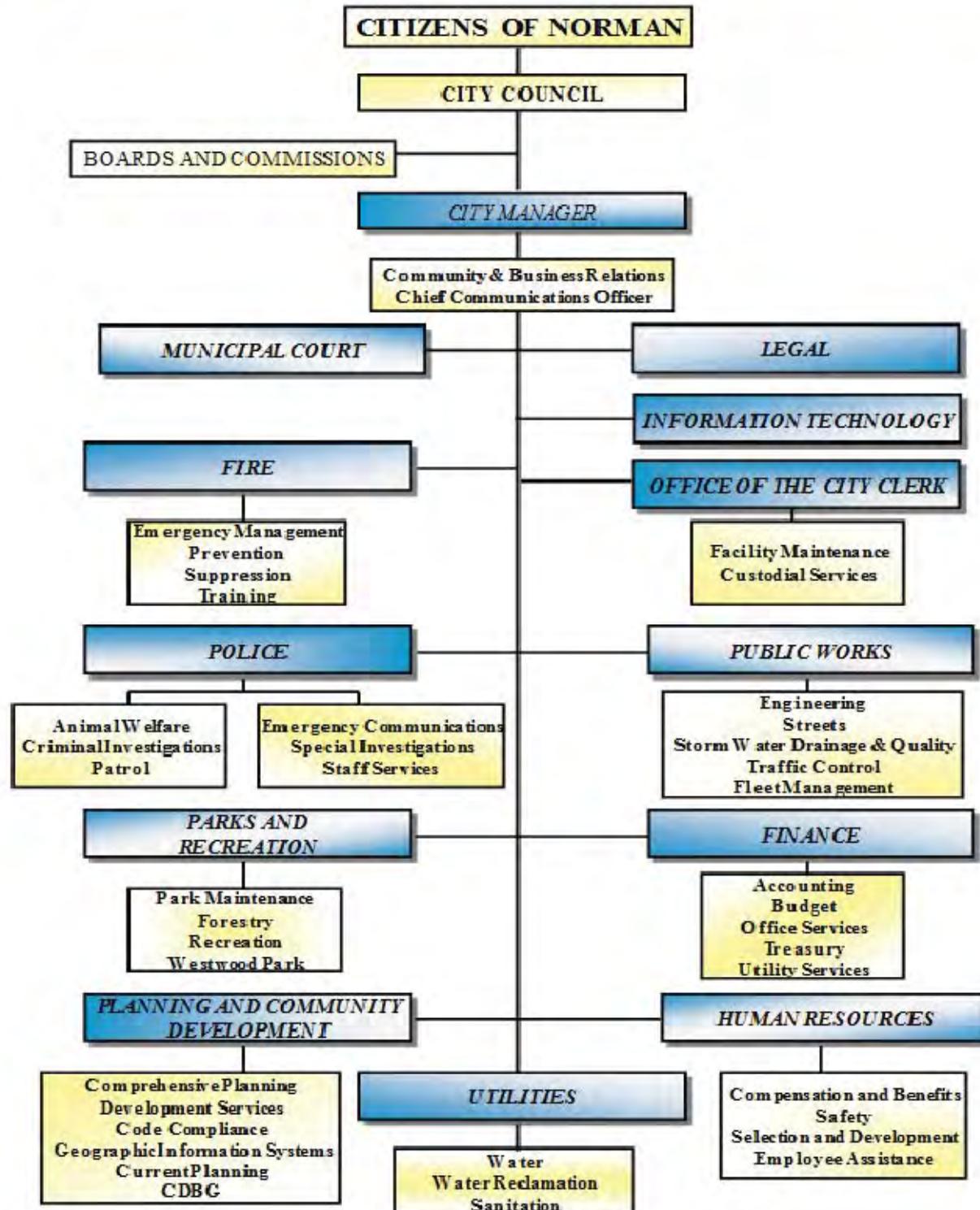
OVERVIEW / STATISTICAL

INTRODUCTION

The purpose of the Overview/Statistical section of the Budget is to offer an overview of the approved budget along with historical information for comparison. The intent of this section is to give the reader a quick insight to the overall budget and provide a basis for better analysis and understanding of the detailed document.



City Of Norman Organization Chart



CITY OF NORMAN

PERSONNEL HISTORY
(Headcount for all FT and PPT Personnel)

FUND	FYE 07	FYE 08	FYE 09	FYE 10	FYE 11	FYE 12	FYE 13	FYE 14	FYE 15	FYE 16	FYE 17
GENERAL	530	559	568	599	558	601	602	596	599	610	615
PUBLIC SAFETY SALES TAX	0	0	0	0	45	65	67	69	71	77	79
RECREATION	18	19	20	20	20	0	0	0	0	0	0
CDBG	6	6	6	6	6	6	6	6	6	5	5
SPECIAL GRANTS	0	0	0	0	1	1	1	0	0	0	0
SEIZURES & RESTITUTIONS	0	0	0	0	0	0	0	1	1	0	0
EMERGENCY COMMUNICATIONS	22	22	22	22	22	0	0	0	0	0	0
WESTWOOD PARK	8	8	8	8	8	8	8	8	8	8	8
WATER	50	50	52	52	52	52	51	51	50	50	50
WATER RECLAMATION	23	23	23	23	21	21	22	22	22	42	43
SANITATION	52	53	53	53	51	51	51	51	51	51	52
RISK MANAGEMENT	0	0	0	0	0	1	1	1	1	1	1
CAPITAL PROJECTS	3	3	3	3	3	3	3	3	3	3	5
SEWER MAINTENANCE	25	25	25	25	21	21	21	21	21	1	1
TOTAL	737	768	780	811	808	830	834	829	834	848	859

FYE 11 to FYE 12 - Eliminated PT Planning Intern in GIS, added 3 PT Call Takers in Emergency Communications, added 15 Fire Personnel and 5 Police Personnel in the Public Safety Fund. Moved Recreation and Emergency Communications personnel to General Fund per GASB 54 requirements. Started Risk Management Fund again and moved funding for one position from General Fund to this Fund.

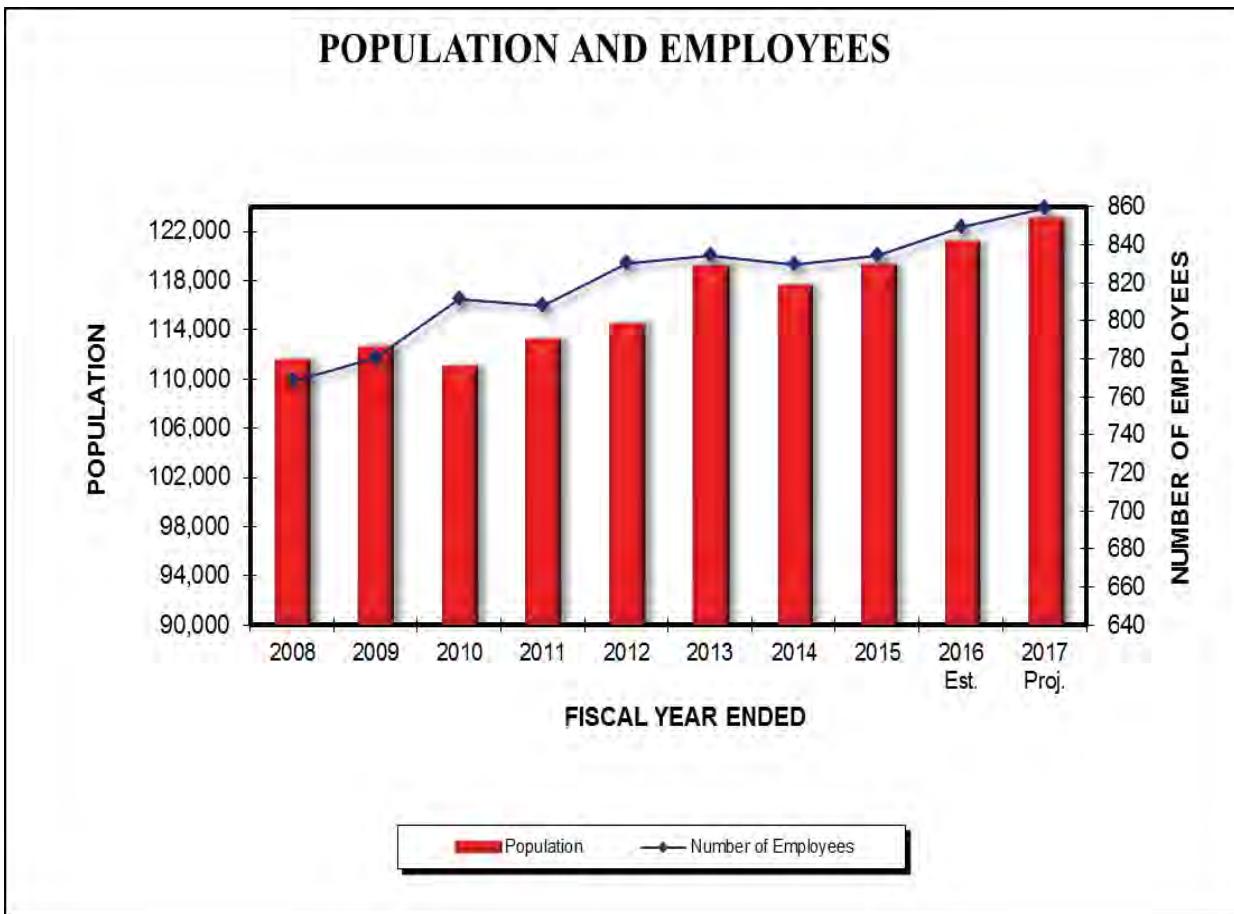
FYE 12 to FYE 13 - Added a Development Coordinator position in the City Manager's Office during FYE 12 - General Fund, Added 2 Detectives in the Public Safety Sales Tax Fund and a Laboratory Technician in the Water Reclamation Fund.

FYE 13 to FYE 14 – Cut 12 Frozen Positions (11 in General Fund and 1 in Water Fund). Added a Retail Recruiter position, 3 part-time Recreation Leaders and re-classed a Juvenile Services Coordinator temporary position in Municipal Court to part-time, and reclassified a Crime Intelligence Analyst that will no longer be funded by a grant – all in the General Fund and added 2 Police Officers in the Public Safety Tax Fund.

FYE 14 to FYE 15 - Added PT Admin. Tech for I.T., added an Equipment Repair Supervisor for Fleet and a Mechanic II, reclassified PT Kennel Attendant to FT, reclassified a temporary Tennis Recreation Leader to PT, cut 1 CDBG full-time and added a part-time position and added 2 Police Officers in the Public Safety Fund. Sewer line maintenance operation personnel were transferred to the Water Reclamation Fund.

FYE 15 to FYE 16 – During FYE 15 added one full-time Custodian and four part-time custodians due to the termination of a custodial contract. Added an Admin. Tech. for Animal Welfare. Twenty of the Sewer Line Maintenance Fund employees were transferred to the Water Reclamation Fund in FYE 15. For FYE 16, added a Registered Vet. Tech. for Animal Welfare, added a Plans Examiner for Planning/Development Services, added a Meter Reader and a Meter Service Representative to Finance, added an Admin. Tech. for Facility Maintenance Administration. Added six officers for the Public Safety Sales Tax School Resource Officer Program. Cut a Revitalization Manager counted in CDBG. Cut a part-time Juvenile Services Coordinator in the Seizure Fund. Cut a Water Treatment Plant Operator.

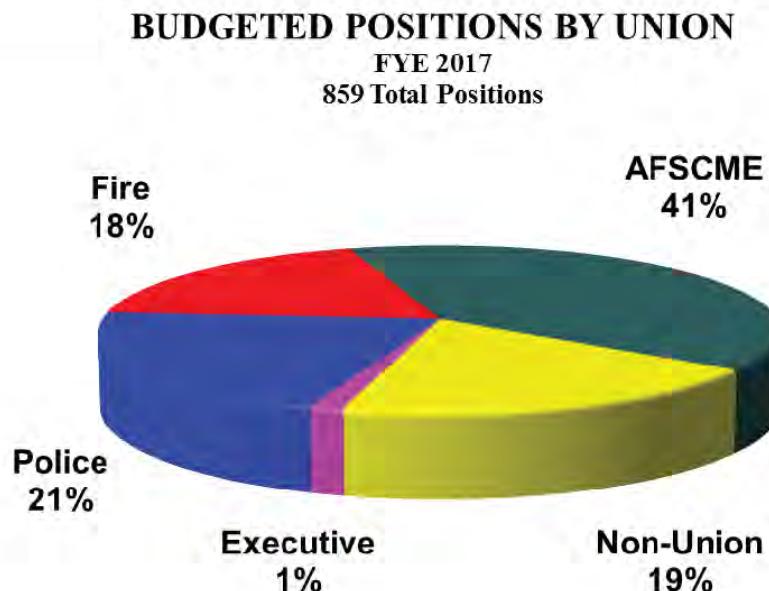
FYE 16 to FYE 17 - During FYE 16 added one part-time Parking Services Officer and a Chief Communication Officer. Reclassified 3 part-time Call Taker positions to 2 full-time Communication Officers. For FYE 17 added a Customer Service Representative to Finance, a Maintenance Worker II and a Storm Water Inspector for Storm Water Quality, and a part-time Veterinarian for Animal Welfare. Added two Communication Officer II's for Public Safety Sales Tax. Added a Capital Projects Engineer and a Capital Project Construction Manager. Added a Heavy Equipment Operator to Water Reclamation Biosolids and an Administrative Technician II to Sanitation Administration.



Discussion of the Graph

This graph illustrates the staffing level for the City of Norman relative to the population over a ten-year period. In FYE 2017, the City will employ 859 permanent employees, which is 11 more positions budgeted in FYE 2016. Seventy-nine positions are related to the Public Safety Sales Tax that was approved by citizens of Norman to increase Police & Fire protection. At 859 personnel, the City is budgeting 91 more positions than in FY 2008, or an increase of 11.8%. In 2017, the City of Norman's population is projected to be 122,922, an increase of approximately 10.2% from 2008.

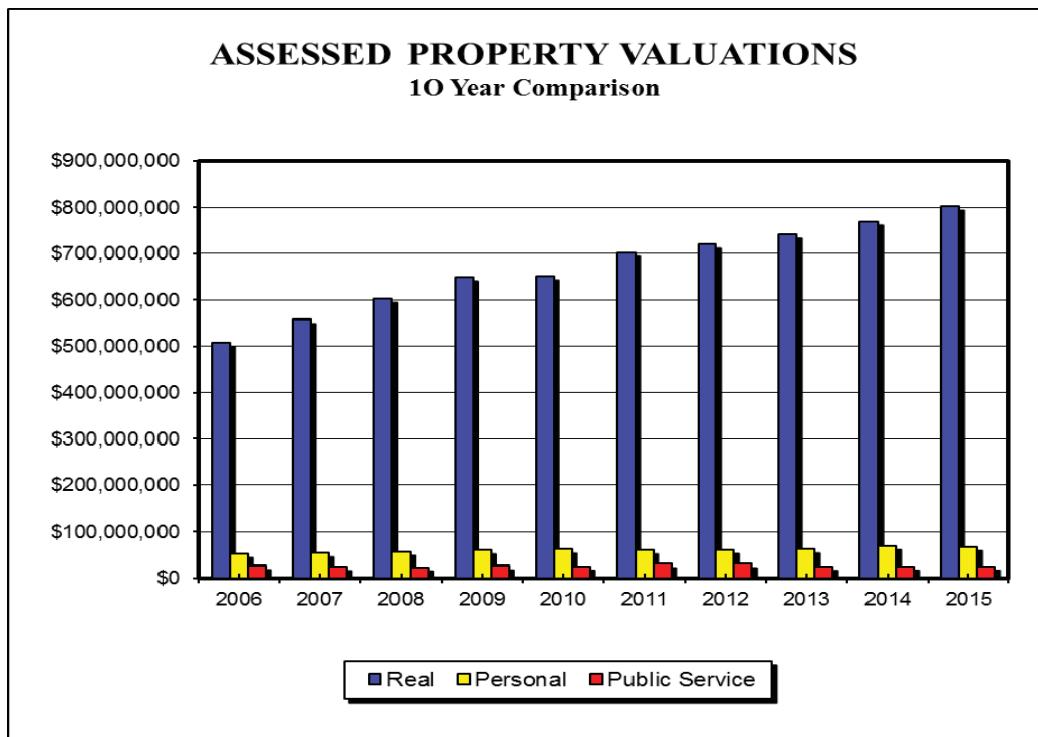
Note: The population figures used for the graph are estimates provided by the City of Norman Planning and Finance Departments.



Discussion of the Graph

This graph illustrates the distribution of positions by bargaining unit. In FY 2016-2017, 859 budgeted full-time and permanent part-time employees are proposed for the City of Norman. The majority of personnel (347) are in the American Federation of State, County and Municipal Employees (AFSCME) union. There are a total of 245 Police Department personnel, of which 177 are members of the Fraternal Order of Police (FOP) union and 48 are AFSCME members. There are a total of 163 Fire Department personnel, of which 157 are members of the International Association of Fire Fighters (IAFF) union. Executive employees include the 13 department directors and the City Manager of the City of Norman. There are 178 employees that are non-union members including the executive employees.

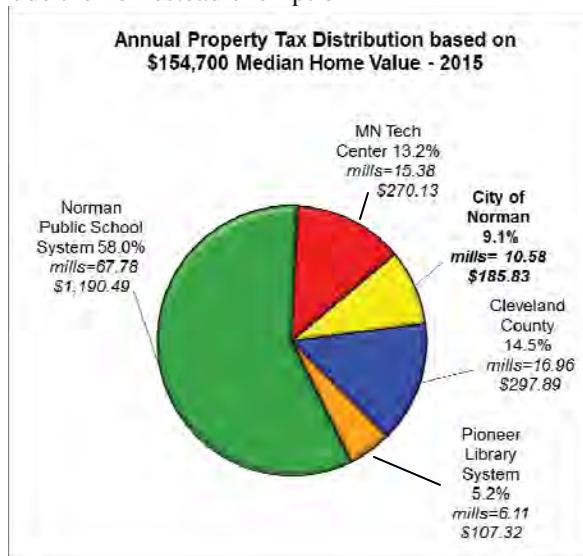
CITY OF NORMAN



Discussion of the Graph

Property taxes are utilized by cities in Oklahoma only for repayment of debt and for payment of court judgements against the City. These taxes are assessed on approximately 12% of the estimated actual value of real, personal and public service property. The assessed property valuations reflect the revaluation process as well as the growth factor in the City of Norman. The on-going revaluation process reflects the upswing in real estate values, which began in FYE 1993, and has continued. The City portion of actual property taxes levied in Norman in 2015 were 10.58 mills or \$9,242,190 which is 1.1% of the assessed property value in Norman. According to the Norman Economic Development Coalition the median home value in the City of Norman is an estimated \$154,700.

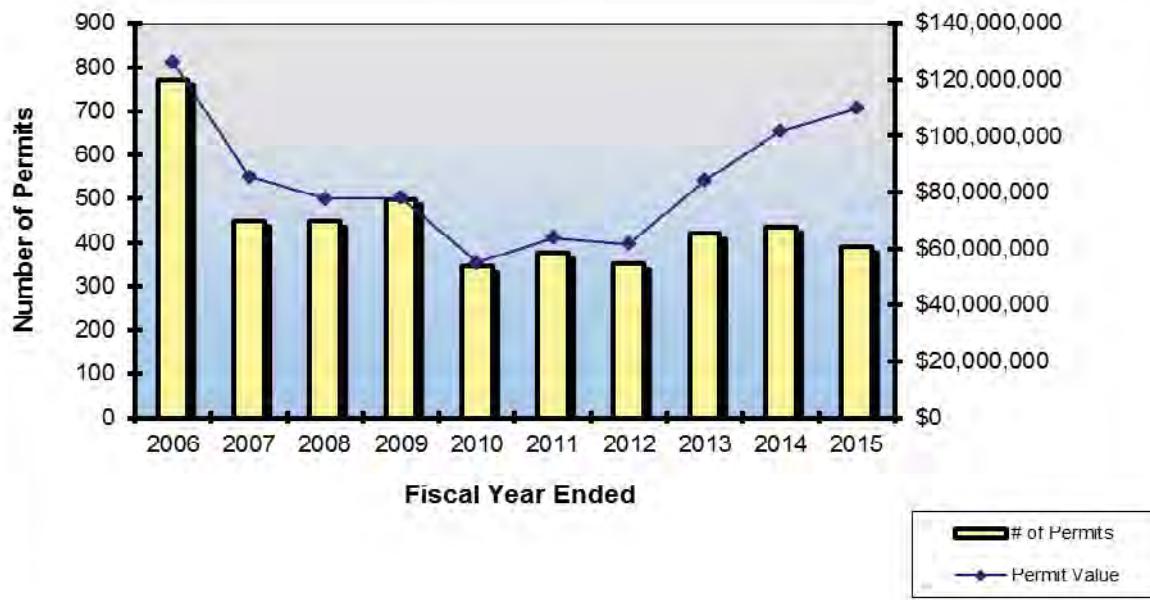
* Real Valuations do not include the homestead exemption



ANNUAL BUDGET

SINGLE FAMILY CONSTRUCTION

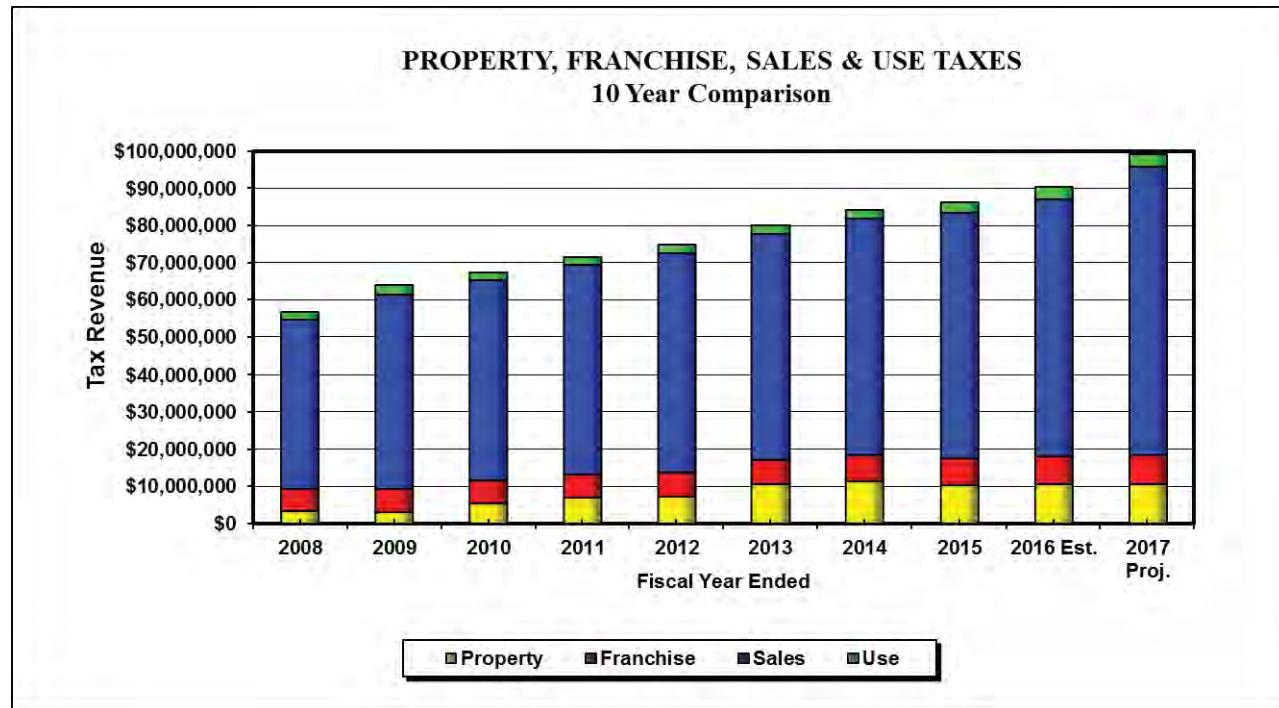
10 Year Comparison



Discussion of the Graph

This graph represents new permits for construction of single family residential permit values for the ten-year period. The 2006 increase in the number of permits and permit value follows the national increase in the construction industry encouraged by record low interest rates. The 2007 and 2008 decrease in the number of permits and permit value follows the national decrease in the home construction industry. In 2010, the City of Norman economy followed the U.S. economy recession. In 2013 and 2014, the permit values increased significantly from 2010.

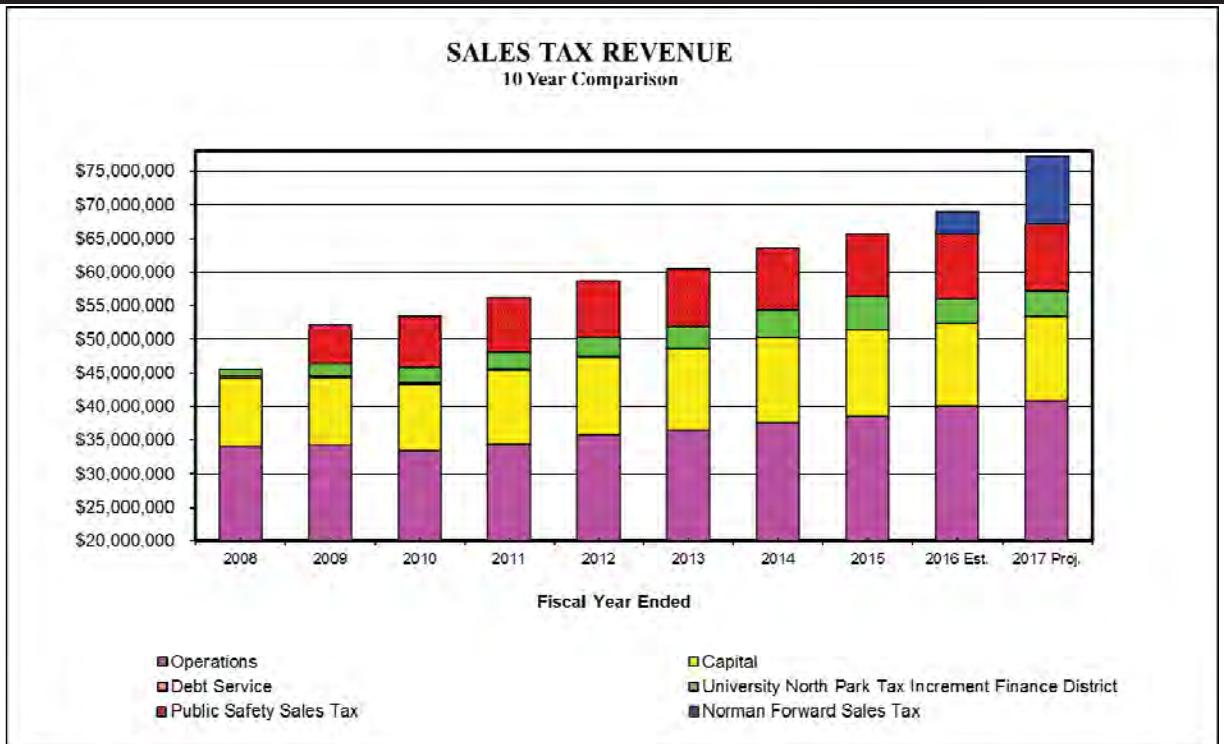
CITY OF NORMAN



Discussion of the Graph

These are the primary tax sources available to the City of Norman. The property tax is used to service bonded debt and court judgments (see graph of Assessed Property Valuations), while the sales, use and franchise taxes are used for General Fund operations and capital (see graphs of General Fund Revenue and Distribution of Sales Tax). Beginning in FYE 09, sales tax includes the Public Safety Sales Tax that was approved by voters on May 13th, 2008. On April 1, 2014 the citizens approved a permanent extension of the Public Safety Sales Tax. On October 13, 2015, the citizens approved a one half of one percent (.5%) sales tax for Norman Forward quality of life projects. This tax became effective January 1st of 2016. Sales tax performance is a good indicator of economic trends. Property tax collections indicate an increasing level of bonded indebtedness.

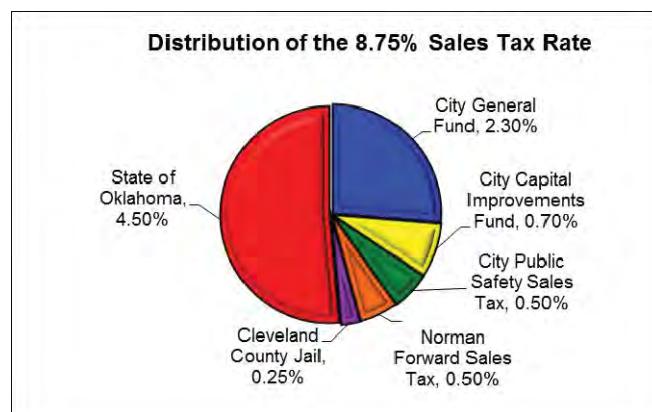
CITY OF NORMAN

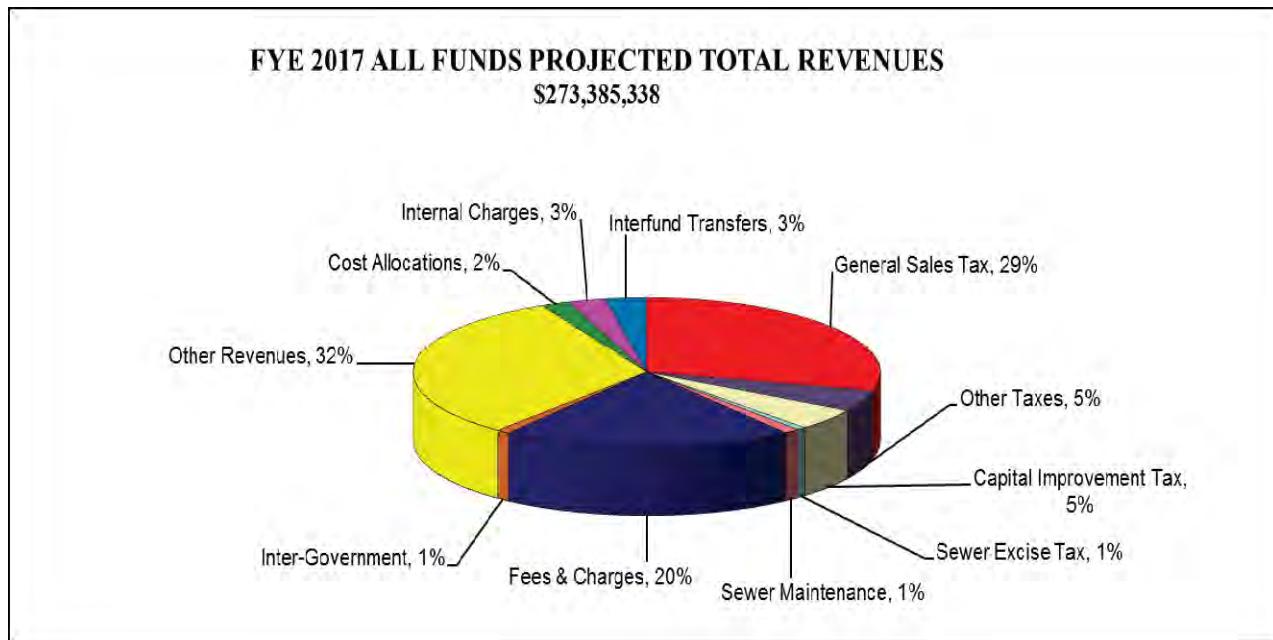


Discussion of the Graph

The City of Norman currently has a 4.0% sales tax rate which is the primary source of revenue for General Fund operations and capital expenditures. 7/10 of one percent (0.7%) of sales tax revenue is used to finance general governmental capital needs. Sales tax revenues steadily increased from 2008 to 2014. On May 13, 2008 Norman citizens approved a 1/2 percent (0.5%), 7-year, public safety sales tax dedicated to additional police and fire personnel and two new fire stations. On April 1, 2014 the citizens approved a permanent extension of that tax. Debt funded with sales tax revenues has remained low over the 10-year period. Beginning in FYE 2014, the portion of sales tax diverted to the General Obligation (G.O.) Combined Purpose Bonds Fund (Fund 64) to pay for 1992 G.O. Bonds is no longer be needed. The bond was completely paid off. In October of 2015, citizens approved a 1/2 percent (0.5%) new sales tax called Norman Forward Sales Tax. The Norman Forward initiative provides for funding for recreational, athletic, library, park and infrastructural improvements.

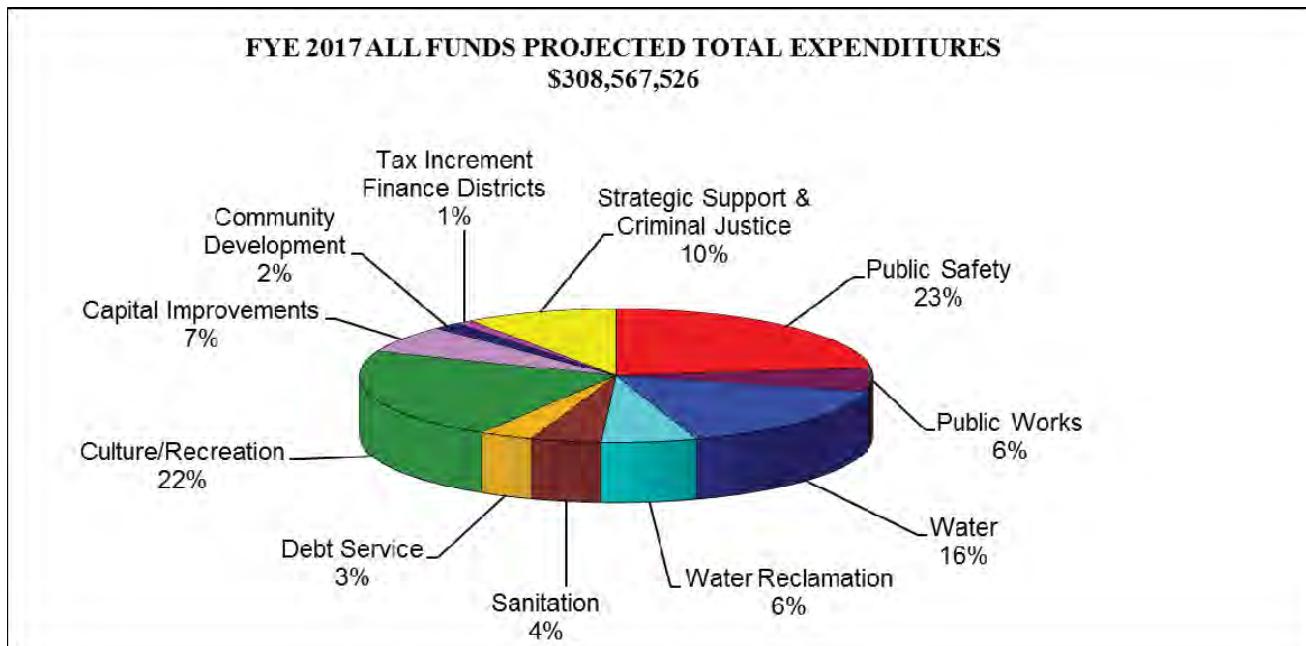
<u>FYE 2017 Projected Figures:</u>	
Operations	\$40,851,000
Capital	\$12,633,210
Tax Increment Finance	\$ 3,794,061
Public Safety	\$10,021,500
Norman Forward	\$10,021,500
Total	\$77,321,271





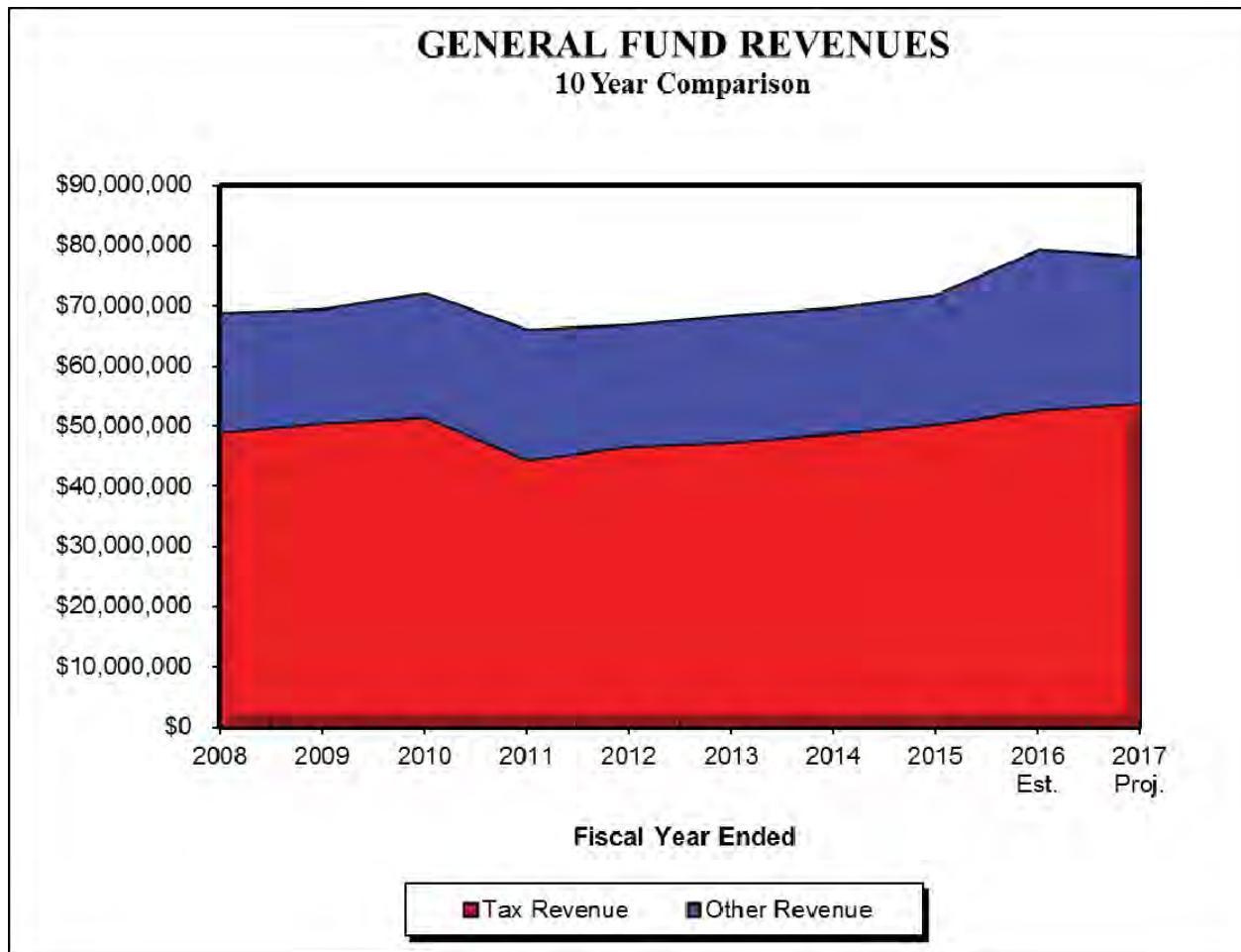
Discussion of the Graph

Budgeted revenues for FYE 2017 of \$273,385,338 are derived from several sources. General Sales Tax and User Fees & Charges provide the City the largest share of revenue. Fees & Charges include user fees for Sanitation, Water, Water Reclamation, Westwood Park, licenses and fees for other City services. The City of Norman is very reliant on sales tax collections for its operations. The "Other Taxes" portion includes the small percentage of property tax the City gets.



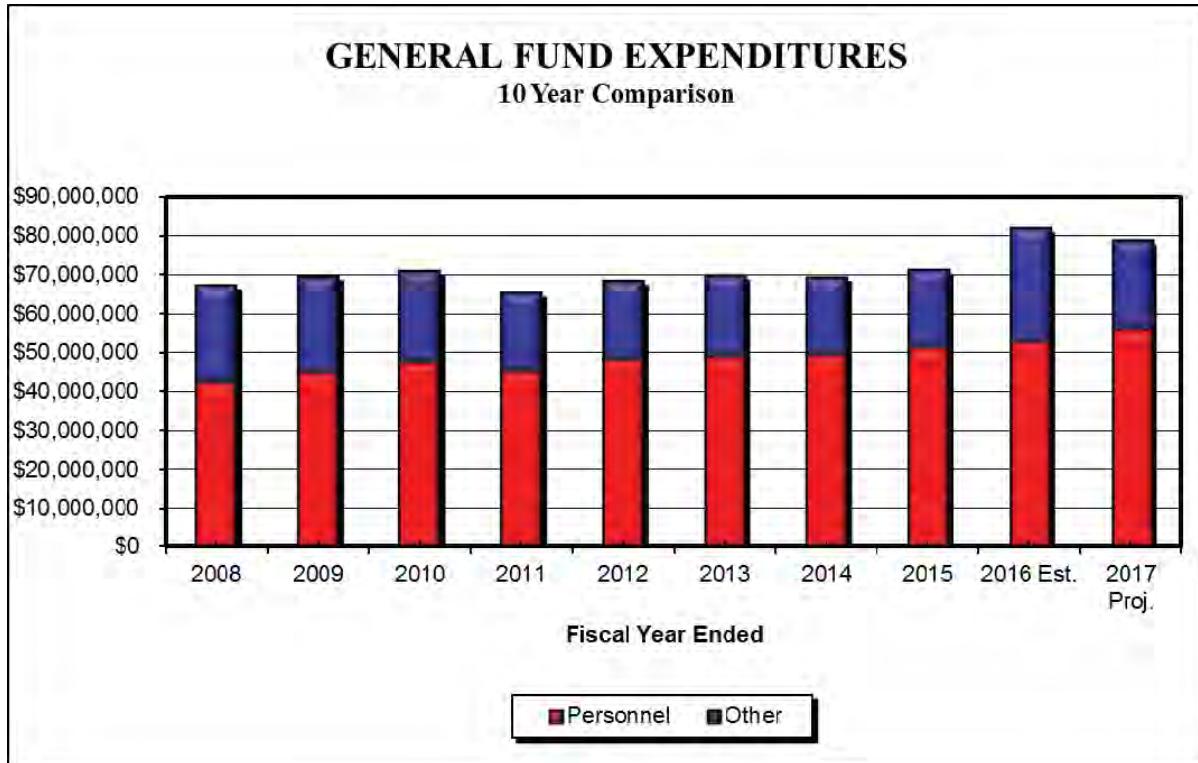
Discussion of the Graph

Budgeted expenditures for FYE 2017 of \$308,567,526 are derived from several uses. The largest portion is Public Safety at 23% or \$71,815,951. The City of Norman is known for being a safe community and the citizens place a high importance on public safety. Tax Increment Finance is the smallest portion of expenditures at 1% or \$3,137,761.



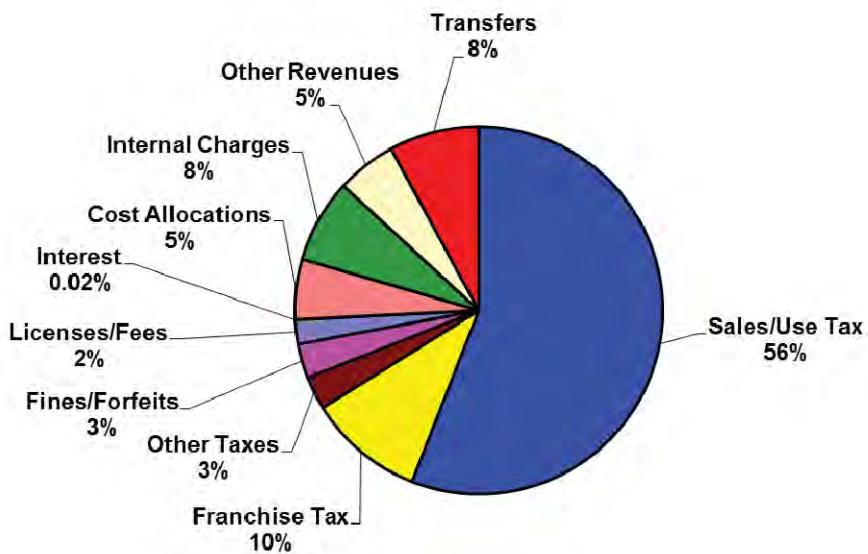
Discussion of the Graph

The primary sources of General Fund revenues are sales and franchise taxes. Total taxes range from 71% of total revenues in FYE 2008 to an estimated 66% of total revenues in FYE 2016 and a projected 69% in FYE 2017. The increase in the percent of other revenues in FYE 08 is due to a FEMA reimbursement of over \$5,000,000 for the December 2007 - January 2008 ice storm damage. The increase in the percent of tax revenue in FYE 09 is due to the 1/2% (0.5%), 7-year, Public Safety Sales Tax increase that citizens approved on May 13th, 2008. Beginning in FYE 11, the Public Safety Sales Tax was accounted for in the Public Safety Sales Tax Fund and removed from the General Fund. The decline of sales tax revenues and other revenues in FYE 10 to FYE 11 is due to the economic recession and the move of the Public Safety Sales Tax to its own fund.



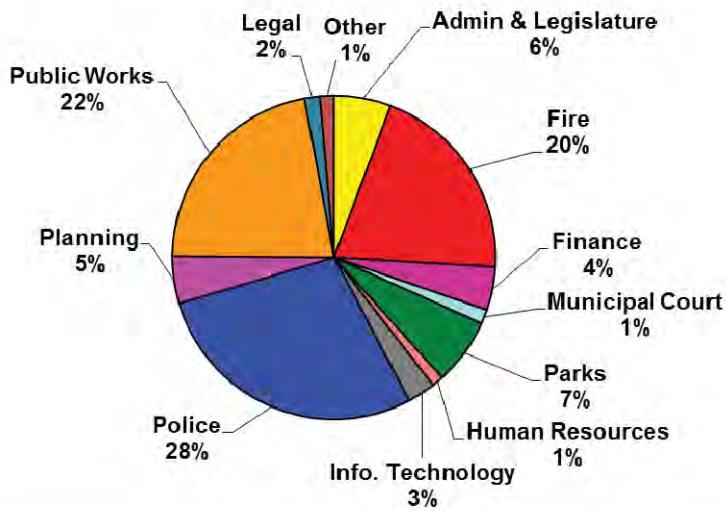
Discussion of the Graph

As shown by the graph, personnel costs represent the largest share of General Fund expenditures. Personnel costs represented approximately 63% of total General Fund expenditures in FYE 2008 and are projected to comprise about 72% of General Fund expenditures in FYE 2017. The FYE 2011 decrease in overall expenditures is due to budget cutbacks that included furloughs, no merit and no cost of living increases for employees, and a reduction in operating budgets. Beginning in FYE 2011, the Public Safety Sales Tax Fund was created and the associated expenses were taken out of the General Fund.

**GENERAL FUND REVENUES BY SOURCE
FY 2017****Discussion of the Graph**

Taxes comprise 69% of the General Fund's revenue; sales and use tax represents 56% while franchise taxes represent 10% and other taxes account for 3%. Cost allocations represent 5% of the General Fund's revenue. These allocations are charges for central services such as management, accounting and data processing provided by the General Fund to other Funds such as Enterprise Funds. Transfers include charges to the utility funds (payments in lieu of franchise fees and property taxes), a transfer from the Capital Fund for reimbursement of street maintenance crew labor used for capital projects and financing General Fund capital equipment needs, and a transfer from Debt Service Fund for judgments and claims against the City. Other revenues include miscellaneous revenues such as animal adoption fees, weed abatement fees, returned check fees, etc.

GENERAL FUND EXPENDITURES BY DEPARTMENT
FYE 2017

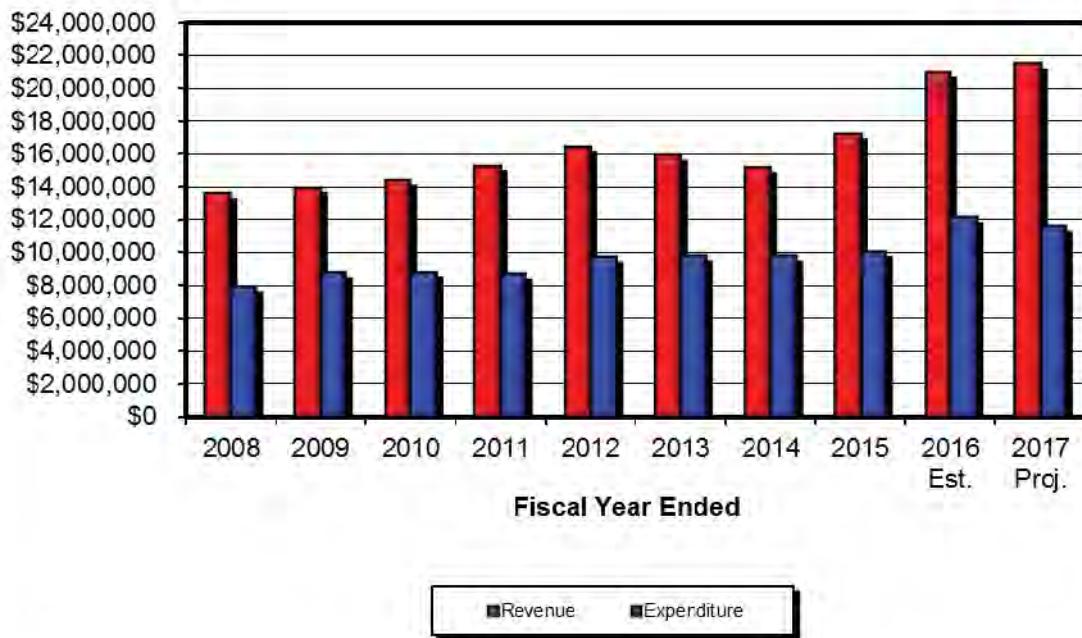


Discussion of the Graph

The largest departmental expenditure from the General Fund is the Police Department. The Police Department's expenditures total \$22,110,404 or 28% of total General Fund expenditures. This excludes any expenditures from the Public Safety Sales Tax. The Public Works Department has the next highest amount of General Fund expenditures totaling \$17,250,568 or 22% of total General Fund expenditures. Public Safety (Police and Fire) and Public Works account for 70% of General Fund expenditures.

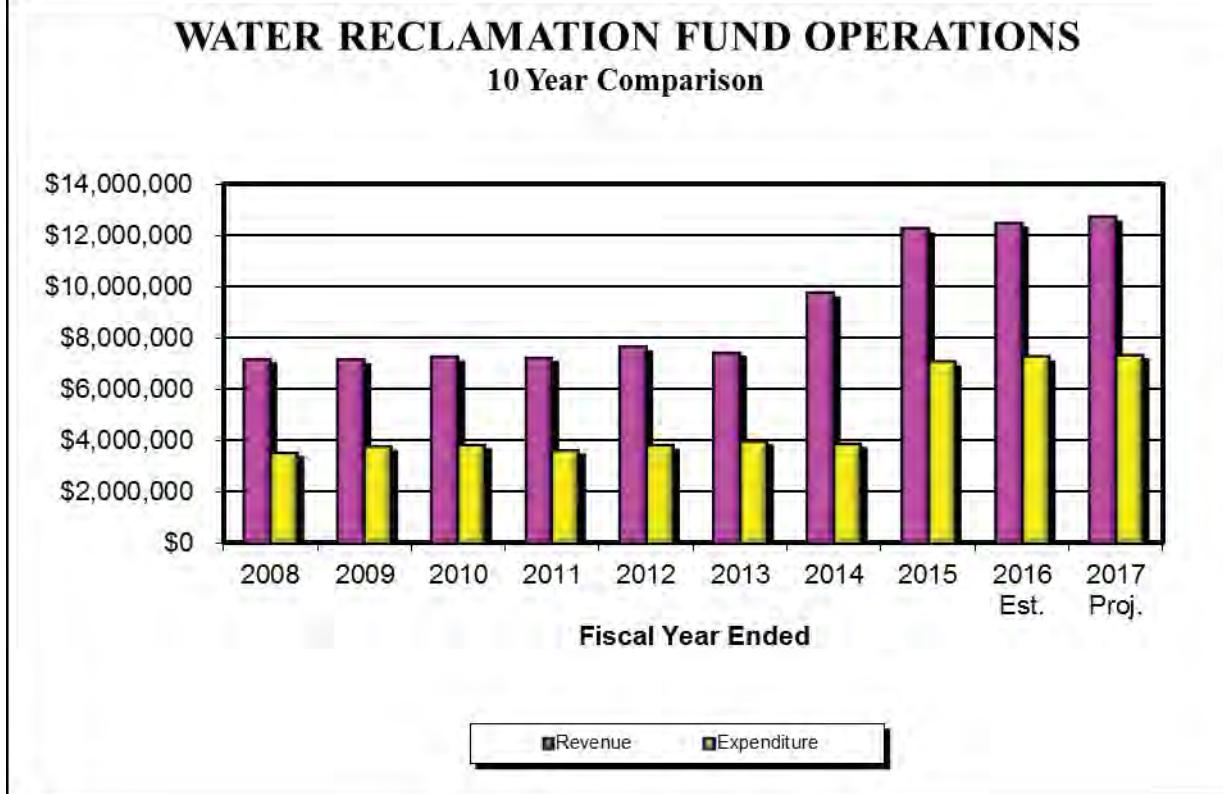
("Other" includes the Norman Public Library, Firehouse Art Center, Historical Museum, Sooner Theatre, Interfund Transfers, and Santa Fe Depot)

WATER FUND OPERATIONS 10 YEAR COMPARISON



Discussion of the Graph

The Water Enterprise Fund is accounted for as a separate fund and as such bears its proportionate share of administrative cost allocations and internal service charges. Revenues and expenditures shown in this graph represent operations only. Any excess of operating revenues is used for capital outlay and capital project expenses, as well as to fund debt service. The significant increase in projected revenue in 2016 is due to a water rate increase that was approved by the citizens on January 13, 2015.

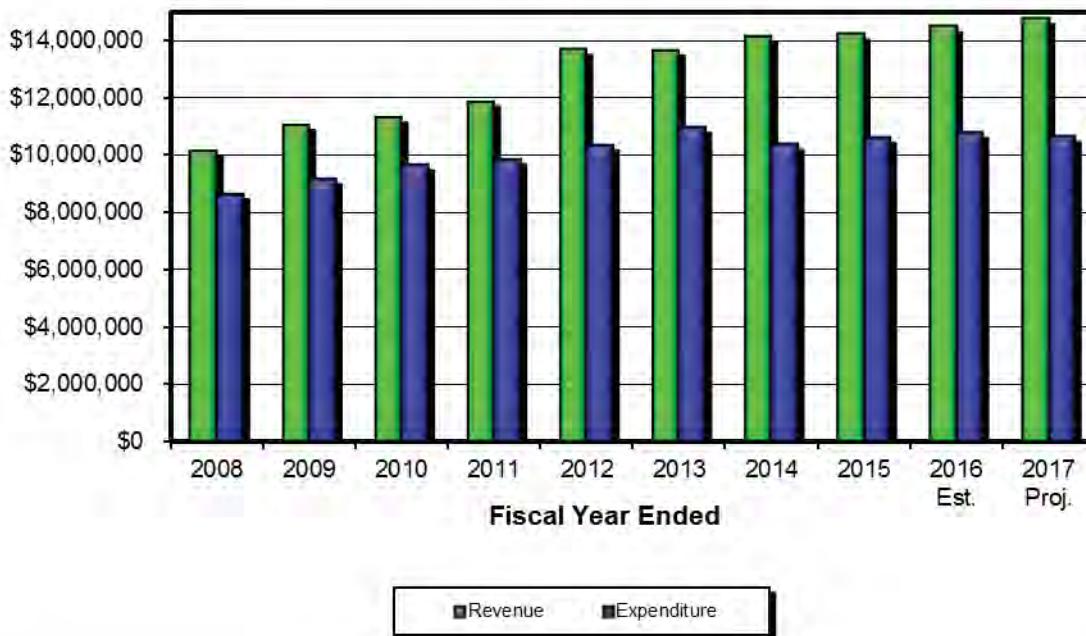


Discussion of the Graph

The Water Reclamation Enterprise Fund is accounted for as a separate fund and as such bears its proportionate share of administrative cost allocations and internal service charges. Revenues and expenditures shown in this graph represent operations only. The excess of operating revenues is used for capital outlay and capital project expenses, as well as to fund debt service. In FYE 2015, the Sewer Line Maintenance operation was transferred from the Sewer Line Maintenance Fund to the Water Reclamation Fund. The increase in revenues beginning FYE 2014 is due to a water reclamation rate increase approved by the citizens on November, 12, 2013.

SANITATION FUND OPERATIONS

10 Year Comparison



Discussion of the Graph

The Sanitation Enterprise Fund is accounted for as a separate fund and as such bears its proportionate share of administrative cost allocations and internal service charges. Revenues and expenditures shown in this graph represent operations only. The excess of operating revenues are used for capital outlay and capital project expenses as well as to repay outstanding debt. The increase in 2012 revenue is due to a voter approved service rate increase on March 1, 2011.

CITY OF NORMAN

**CONSOLIDATED FUND SUMMARY
CITY-WIDE REVENUES AND EXPENDITURES
ALL FUNDS COMBINED**

	FYE 14 Actual		FYE 15 Actual		FYE 16 Budget		FYE 16 Est.		FYE 17 Proj.
Total Combined Fund Revenues									
Sales Tax	\$ 66,084,459	9.3%	\$ 68,642,601	17.9%	\$ 68,033,633	6.1%	\$ 72,211,833	12.0%	\$ 80,905,671
Property Tax	12,481,940	-9.2%	11,620,098	-2.6%	11,333,288	0.0%	11,333,288	-0.2%	11,312,309
Other Taxes	12,341,997	8.9%	13,274,452	4.6%	13,741,361	-2.2%	13,438,616	3.4%	13,890,775
Fees, User Charges & Fines	48,282,807	17.1%	52,667,026	10.1%	52,849,786	7.0%	56,539,895	2.5%	57,967,390
Federal Funds	2,264,602	893.3%	1,789,626	41.6%	12,097,104	86.0%	22,495,184	-88.7%	2,534,513
State Funds	139,530	-100.0%	427,824	-100.0%	0	0.0%	0	0.0%	0
Interest Income	688,443	2.0%	530,728	35.1%	707,000	-0.7%	702,000	2.1%	717,000
Cost Allocations	7,307,232	-28.2%	8,155,578	129.8%	18,016,061	-70.9%	5,248,662	257.1%	18,743,179
Internal Services	16,770,350	-50.1%	17,476,085	-59.7%	8,370,682	0.0%	8,370,682	-16.0%	7,035,391
Interfund Transfers	9,755,708	488.0%	13,274,227	-41.5%	8,341,492	587.7%	57,363,976	-86.5%	7,759,791
Bond/Loan Proceeds	14,235,000	598.2%	51,366,576	34.7%	0	0.0%	99,395,516	0.0%	69,200,000
Other	3,745,493	366.2%	4,321,796	-23.2%	2,172,758	703.7%	17,462,243	-81.0%	3,319,316
	\$ 194,097,561	87.8%	\$ 243,546,617	12.3%	\$ 195,663,165	86.3%	\$ 364,561,895	-25.0%	\$ 273,385,335
Total Combined Fund Expenditures									
Salary / Benefits	\$ 68,793,252	6.1%	\$ 71,170,432	8.1%	\$ 73,033,462	0.0%	\$ 73,005,692	5.4%	\$ 76,914,039
Supplies / Materials	9,397,188	25.4%	8,821,231	28.9%	12,703,033	-7.2%	11,788,213	-3.5%	11,372,193
Services / Maintenance	29,665,227	17.6%	29,198,696	13.1%	33,368,805	4.6%	34,894,289	-5.4%	33,016,582
Internal Services	4,225,714	22.7%	5,493,501	-19.4%	5,185,760	0.0%	5,185,820	-14.6%	4,430,203
Capital Equipment	11,085,793	12.6%	7,973,427	3.3%	7,008,695	78.1%	12,482,107	-34.0%	8,238,297
Capital Projects	33,122,891	365.0%	48,815,758	169.2%	24,909,761	518.3%	154,009,512	-14.7%	131,434,651
Interfund Transfers	9,755,708	488.0%	13,274,227	-41.5%	8,341,492	587.7%	57,363,976	-86.5%	7,759,791
Cost Allocation Charges	4,975,793	5.3%	5,304,565	1.8%	5,248,662	-0.2%	5,240,309	3.1%	5,401,247
Federal Grants	2,767,323	711.9%	2,154,301	17.6%	12,097,104	85.7%	22,468,521	-88.7%	2,534,513
Debt Service	30,839,056	-24.7%	18,515,687	39.7%	23,105,322	0.5%	23,218,761	11.4%	25,868,410
Other	2,642,251	-23.3%	1,286,000	24.2%	16,000	12566.7%	2,026,675	-21.2%	1,597,600
	\$ 207,270,196	93.8%	\$ 212,007,825	45.5%	\$ 205,018,096	95.9%	\$ 401,683,875	-23.2%	\$ 308,567,526
Net Difference	\$ (13,172,635)		\$ 31,538,792		\$ (9,354,931)		\$ (37,121,980)		\$ (35,182,191)

CITY OF NORMAN

**NET CITY BUDGET
FISCAL YEAR ENDING 2017**

FUND	% TOTAL	FYE 17 BUDGET	COST ALLOCATIONS	INTERNAL SERVICES	TRANSFERS	NET FYE 17 BUDGET	NET FYE 16 BUDGET	% CHANGE
General	25.2%	\$77,861,930	\$0	\$4,042,304	\$588,500	\$73,231,126	\$71,196,465	2.9%
Public Safety Sales Tax	10.8%	33,410,824	0	263,485	0	33,147,339	10,692,141	210.0%
Community Development	0.6%	1,771,678	0	2,192	0	1,769,486	12,027,853	-85.3%
Special Grants	0.2%	762,835	0	0	0	762,835	63,982	1092.3%
Room Tax	0.6%	1,892,135	99,213	0	77,922	1,715,000	1,531,631	12.0%
Seizures and Restitutions	0.1%	298,237	0	730	0	297,507	199,688	49.0%
Cleet	0.0%	30,505	0	0	0	30,505	30,705	-0.7%
Art In Public Places	0.0%	16,000	0	0	0	16,000	16,000	0.0%
Westwood Park	0.5%	1,457,382	0	43,848	0	1,413,534	1,479,676	-4.5%
Water	16.2%	49,913,266	1,856,055	321,039	1,016,205	46,719,967	15,421,655	203.0%
Water Reclamation	4.1%	12,636,959	1,787,343	363,836	617,142	9,868,638	12,299,111	-19.8%
Sewer Maintenance	1.3%	3,863,437	0	1,934	0	3,861,503	2,861,062	35.0%
New Development Excise	0.7%	2,070,538	0	0	0	2,070,538	2,678,419	-22.7%
Sanitation	4.4%	13,701,322	1,422,558	1,995,806	47,880	10,235,078	10,407,696	-1.7%
Risk Management	4.9%	15,226,975	0	17	0	15,226,958	15,332,517	-0.7%
Capital Improvement	6.5%	19,904,790	0	200	4,551,112	15,353,478	14,701,384	4.4%
Norman Forward	19.5%	60,023,648	0	0	0	60,023,648	14,701,384	308.3%
Park Land and Development	0.0%	50,000	0	0	0	50,000	37,500	33.3%
University North Park TIF	1.0%	3,137,761	236,078	0	0	2,901,683	1,879,200	54.4%
General Debt Service	3.4%	10,537,304	0	0	861,030	9,676,274	10,200,575	-5.1%
Arterial Roads Recoupment	0.0%	0	0	0	0	0	0	0.0%
	100.0%	\$308,567,526	\$5,401,247	\$7,035,391	\$7,759,791	\$288,371,097	\$197,758,644	45.8%

Explanation of Significant Changes

Public Safety Sales Tax	210% increase due to two capital projects, an Emergency Communication Center and the replacement of the City's Emergency Communications System (see p. 402).
Community Development	-85.3% decrease due to completion of major road improvement projects (see p.403).
Special Grants	1092.3% increase due to a new capital improvement project (see p. 404).
Seizures and Restitutions	49% increase due to purchase of fleet replacements.
Water	203% increase due to significant Water Treatment Plant improvement projects (see pp. 406-407).
Sewer Maintenance	35% increase due to addition of capital improvement projects (see p. 409).
New Development Excise	-22.7% decrease due to completion of capital improvement projects (see p. 410).
Norman Forward	308.3% increase due to addition of significant capital improvement projects (see p. 420).
Park Land and Development	33.3% increase due to addition of a capital improvement project (see p. 421).
University North Park TIF	54.4% increase due to new funding for the continuation of two projects (see p. 422).

CITY OF NORMAN

**CITY OF NORMAN, OKLAHOMA
FISCAL YEAR ENDING 2017 ANNUAL BUDGET
SUMMARY OF FUND BALANCES**

CITY FUND CLASSIFICATION	REVENUES				EXPENDITURES				REVENUES		ENDING FUND BALANCE
	BEGINNING FUND BALANCE	OPERATING REVENUES	INTERFUND TRANSFERS	TOTAL REVENUES	OPERATING EXPENSES	INTERFUND TRANSFERS	SUBTOTAL EXPENSES	EMP TURNOVER SAVINGS	TOTAL EXPENSES	OVER (UNDER) EXPENSES	
GOVERNMENTAL FUNDS											
General	\$3,475,710	\$71,700,652	\$6,161,339	\$77,861,991	\$78,073,430	\$588,500	\$78,661,930	(\$800,000)	\$77,861,930	61	3,475,711
SPECIAL REVENUE FUNDS											
Public Safety Sales Tax	36,195,903	10,946,387	0	37,141,824	37,141,824	0	37,141,824	0	37,141,824	(22,464,437)	3,731,466
Room Tax	444,422	1,984,250	0	1,984,250	1,810,213	77,922	1,892,135	0	1,892,135	92,115	536,537
Seizures and Restitutions	625,175	103,751	0	103,751	298,237	0	298,237	0	298,237	(194,486)	430,689
Clerk	21,056	32,000	0	32,000	30,505	0	30,505	0	30,505	(495)	22,551
Art in Public Places	0	16,000	0	16,000	16,000	0	16,000	0	16,000	0	0
Park Land and Development	656,830	130,000	0	130,000	50,000	0	50,000	0	50,000	80,000	736,830
Westwood Park	0	1,308,460	148,922	1,457,382	1,457,382	0	1,457,382	0	1,457,382	0	0
Net Revenue Stabilization	3,203,734	15,000	88,500	103,500	0	0	0	0	0	103,500	3,307,234
GRANT FUNDS											
Community Development	997,007	1,771,678	0	1,771,678	1,771,678	0	1,771,678	0	1,771,678	0	997,007
Special Grants	2,758,684	762,835	0	762,835	762,835	0	762,835	0	762,835	0	2,758,684
ENTERPRISE FUNDS											
Water	1,928,104	54,799,475	0	54,799,475	48,957,790	1,016,205	49,973,995	(60,729)	49,913,266	4,886,209	6,814,313
Water Reclamation	4,111,537	13,276,863	0	13,276,863	12,069,054	617,142	12,286,196	(49,237)	12,235,939	639,904	4,751,441
Sewer Maintenance	1,088,220	2,913,691	0	2,913,691	3,064,557	0	3,064,557	(1,120)	3,063,437	1949,746	1,386,674
New Development Excise	7,694,449	1,900,000	0	1,900,000	2,070,538	0	2,070,538	0	2,070,538	(170,538)	7,523,611
Sanitation	6,740,650	14,808,144	0	14,808,144	13,653,442	47,880	13,701,322	0	13,701,322	1,106,823	7,847,472
INTERNAL SERVICE FUNDS											
Risk Management / Insurance	4,233,491	14,656,030	861,030	15,517,060	15,226,975	0	15,226,975	0	15,226,975	290,085	4,523,576
CAPITAL PROJECTS FUND											
Capital Improvements	17,780,325	12,791,911	500,000	13,291,911	15,333,678	4,551,112	19,984,790	19,904,790	19,904,790	(6,612,879)	11,167,446
University North Park IP	16,835,834	4,721,861	0	4,721,861	3,137,761	0	3,137,761	0	3,137,761	1,583,800	16,419,634
Norman Forward	36,166,433	46,404,550	0	46,404,550	60,023,648	0	60,023,648	0	60,023,648	(13,539,098)	22,627,353
Arterial Roads Recompen	605,248	0	0	0	0	0	0	0	0	0	605,248
DEBT SERVICE FUNDS											
General Debt Service	8,261,494	10,502,309	0	10,502,309	9,676,274	861,030	10,537,304	0	10,537,304	(34,995)	8,226,499
G. O. Bonds	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL ALL FUNDS	\$143,824,006	\$265,625,547	\$7,759,791	273,385,338	\$301,718,821	\$7,759,791	\$309,478,612	(\$911,086)	\$308,567,526	(\$35,182,187)	\$108,641,818
Less: Interfund Transfers	0	0	(7,759,791)	(7,759,791)	0	(7,759,791)	(7,759,791)	0	(7,759,791)	0	0
Internal Service Charges	0	(7,035,391)	0	(7,035,391)	(7,035,391)	0	(7,035,391)	0	(7,035,391)	0	0
Cost Allocation Charges	0	(5,401,247)	0	(5,401,247)	(5,401,247)	0	(5,401,247)	0	(5,401,247)	0	0
Total Deductions	\$0	(\$12,436,638)	(\$7,759,791)	(\$20,196,429)	(\$12,436,638)	(\$7,759,791)	(\$20,196,429)	\$0	(\$20,196,429)	\$0	\$0
NET TOTAL ALL FUNDS	\$143,824,006	\$253,168,909	\$0	253,168,909	\$289,282,183	\$0	\$289,282,183	(\$911,086)	\$288,171,097	(\$35,182,187)	\$108,641,818

ANNUAL BUDGET

CITY OF NORMAN

**TOTAL CITY REVENUES AND OTHER RESOURCES
FISCAL YEAR ENDING 2017**

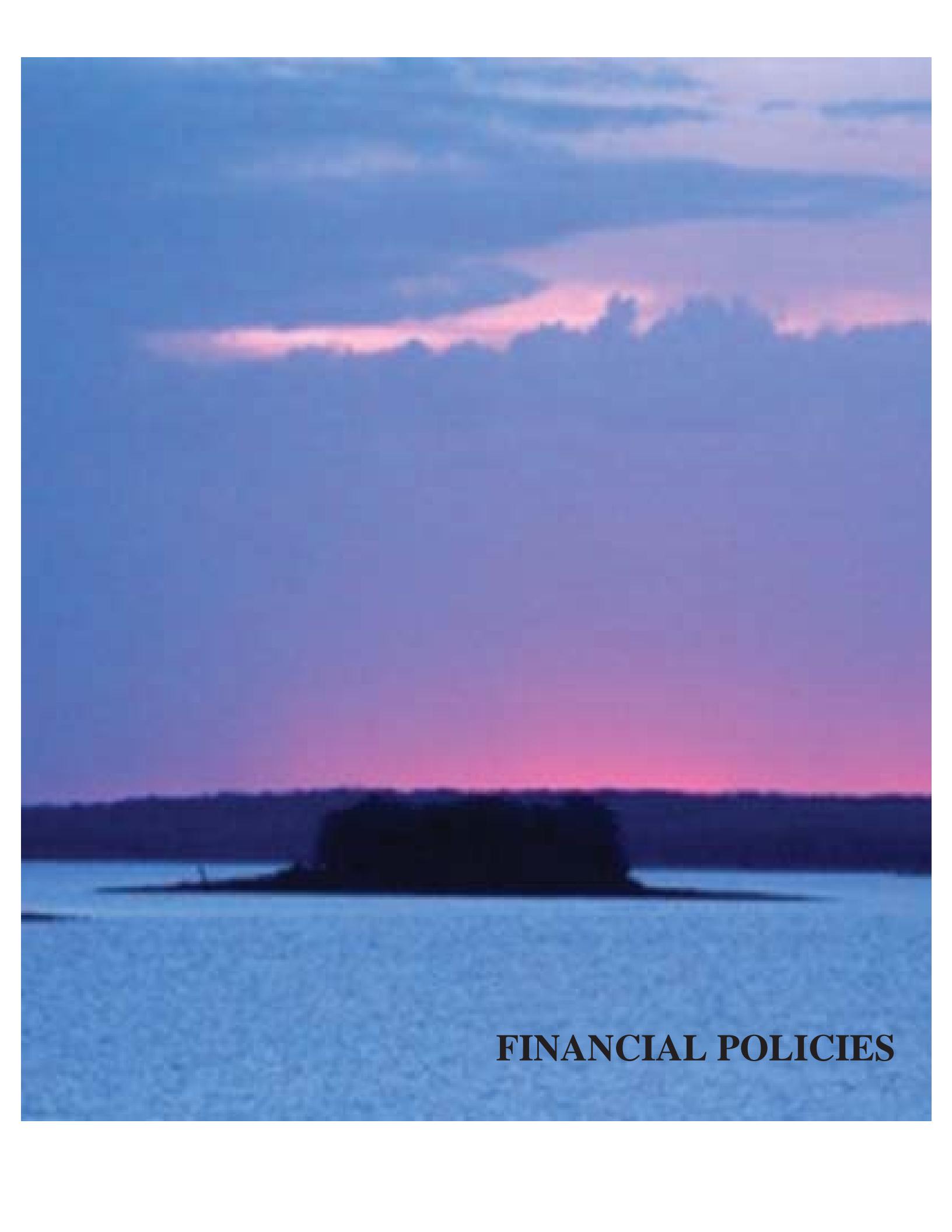
FUND	TAXES	FEES AND CHARGES	INTER-GOVERNMENT	INTEREST INCOME	MISC.	COST ALLOCATIONS	INTERNAL CHARGES	INTERFUND TRANSFERS	TOTAL REVENUES	FUND BALANCE	TOTAL RESOURCES
General	\$53,747,325	\$56,039	\$0	\$25,000	\$2,474,179	\$4,122,615	\$5,721,294	\$6,161,339	\$77,861,991	\$0	\$77,861,991
Net Revenue Stabilization	0	0	0	15,000	0	0	0	88,500	103,500	0	103,500
Public Safety Sales Tax	10,469,550	0	0	50,000	426,837	0	0	0	10,946,387	22,464,437	33,410,824
Community Development	0	0	1,771,678	0	0	0	0	0	1,771,678	0	1,771,678
Special Grants	0	0	762,835	0	0	0	0	0	762,835	0	762,835
Rain Tax	1,982,750	0	0	1500	0	0	0	0	1,984,250	0	1,984,250
Seizures and Restitution	0	88,251	15,000	500	0	0	0	0	103,751	194,486	298,237
CBET	0	0	32,000	0	0	0	0	0	32,000	0	32,000
Art in Public Places	0	0	0	0	16,000	0	0	0	16,000	0	16,000
Westwood Park	0	1,300,961	0	7,500	0	0	0	148,922	1,457,383	0	1,457,383
Water	0	20,692,630	0	120,000	33,200,000	786,845	0	0	\$4,799,475	0	\$4,799,475
Water Reclamation	0	12,735,105	0	50,000	0	491,757	0	0	13,276,862	0	13,276,862
Sewer Maintenance	0	2,913,691	0	0	0	0	0	0	2,913,691	0	2,913,691
New Development	1,700,000	0	0	200,000	0	0	0	0	1,900,000	170,538	2,070,538
Sanitation	0	14,562,795	0	30,000	215,349	0	0	0	14,808,144	0	14,808,144
Capital Improvement	12,633,210	0	0	150,000	8,701	0	0	500,000	(3,291,911)	6,612,380	19,904,791
Norman Forward	10,469,550	0	0	15,000	36,000,000	0	0	0	46,484,550	13,539,098	60,023,648
Park Land and Development	0	120,000	0	10,000	0	0	0	0	130,000	0	130,000
University North Park TIF	4,629,061	0	0	17,500	75,000	0	0	0	4,721,561	0	4,721,561
General Debt Service	10,477,309	0	0	25,000	0	0	0	0	10,502,309	34,995	10,537,204
Arterial Roads Recoupment	0	0	0	0	0	0	0	0	0	0	0
Risk Management / Insurance	0	0	0	0	13,341,933	0	1,314,097	861,030	15,517,000	0	15,517,000
	\$106,108,755	\$88,023,642	\$2,581,513	\$717,000	\$85,757,999	\$8,401,247	\$7,035,391	\$7,759,791	\$275,385,338	\$43,016,434	\$316,401,772
PERCENT TO TOTAL	33.5%	18.3%	0.8%	0.2%	27.1%	1.7%	2.2%	2.5%	86.4%	13.6%	100.0%

ANNUAL BUDGET

CITY OF NORMAN

**CITY-WIDE OPERATING EXPENDITURES BY TYPE / CATEGORY
FISCAL YEAR ENDING 2017**

FUND	Salaries & Benefits	Supplies & Materials	Services & Maintenance	Capital Equipment	Capital Projects	Internal Services	Cost Allocation Charges	Interfund Transfers	Other	Total
General	\$55,928,280	\$4,146,564	\$9,739,935	\$4,216,347	\$0	\$4,042,304	\$0	\$588,500	(\$800,000)	\$77,861,930
Public Safety Sales Tax	7,933,800	154,343	255,555	790,550	21,679,253	263,485	0	0	2,333,838	33,410,824
Community Development	351,746	3,575	715,165	0	699,000	2,192	0	0	0	1,771,678
Special Grants	43,335	1,000	18,500	0	700,000	0	0	0	0	762,835
Room Tax	0	0	1,410,000	0	305,000	0	99,213	77,922	0	1,892,135
Seizures & Restitutions	75,921	12,070	124,890	84,626	0	730	0	0	0	298,237
CLEET	0	0	30,505	0	0	0	0	0	0	30,505
Art In Public Places	0	0	16,000	0	0	0	0	0	0	16,000
Westwood Park	836,652	115,745	181,713	71,000	0	43,848	0	0	208,424	1,487,382
Water	4,048,616	2,339,256	3,085,700	365,126	31,145,000	321,039	1,856,055	1,016,205	5,736,269	39,913,266
Water Reclamation	3,282,489	521,284	1,458,665	467,619	922,400	363,836	1,787,343	617,142	3,216,181	12,636,959
Sewer Maintenance	57,123	475	2,025	0	3,803,000	1,934	0	0	(1,120)	3,863,437
New Development Excise	0	0	0	0	92,000	0	0	0	1,978,538	2,070,538
Sanitation	4,149,615	82,279	3,001,139	2,327,655	23,000	1,995,806	1,422,558	47,880	651,390	13,701,322
Capital Improvement	1,179,827	499	16,499	0	14,156,653	200	0	4,551,112	0	19,904,790
Norman Forward	0	0	0	0	57,803,362	0	0	0	2,220,286	60,023,648
Park Land & Development	0	0	0	0	50,000	0	0	0	0	50,000
University North Park TIF	0	0	127,856	0	1,454,983	0	236,078	0	1,318,844	3,137,761
General Debt Service			0	0	0	0	0	861,030	9,676,274	10,537,304
Risk Management / Insurance	972,972		14,253,986	0	0	0	0	0	0	15,226,975
Arterial Roads Recoupment	0	0	0	0	0	0	0	0	0	0
Total	\$78,860,376	\$7,377,090	\$34,438,133	\$8,322,923	\$132,833,651	\$7,035,391	\$5,401,247	\$7,759,791	\$26,538,924	\$308,567,526

A wide-angle landscape photograph of a lake at sunset. The sky is filled with horizontal clouds, transitioning from deep blue at the top to vibrant orange and pink near the horizon. In the distance, a range of mountains is visible, their peaks partially obscured by the low-hanging clouds. The calm water of the lake reflects the warm colors of the sky. A small, dark, irregular shape, possibly a rock or a small island, is visible in the center-left of the frame.

FINANCIAL POLICIES

FINANCIAL POLICIES

Several financial policies have been used in the development of the Fiscal Year Ending (FYE 16) Budget and five-year forecast. The applications of the policies vary given the type of Fund. The "Budget Highlights" section identifies the specific application of each policy, if it applies to that particular fund. The financial policies that have been applied to various funds are documented below.

Balanced Budget

The City shall annually adopt a balanced budget in accordance with the Oklahoma Municipal Act (Title 11 Oklahoma Statutes 2006). As such, expenditures may not legally exceed appropriations at the Fund level for each legally adopted annual operating budget (i.e., a fund balance cannot be negative).

Five Year Forecast

Five-year forecasts of resources and the utilization of those resources have been prepared for all Funds of the City for the purpose of projecting existing conditions into the future to determine future financial viability, to identify financial strengths and weaknesses and to provide a base for remedial or supportive financial policy actions. The City legally adopts a budget for a one-year period; five-year forecasts are prepared for financial planning purposes. Based on these actions and other factors, actual financial performance in future years will vary from that projected here.

Reasonable Cost of Service

For purposes of projecting existing costs into the future it has been assumed that existing costs are reasonable given existing service levels.

Reserve Policies

Operating Reserve

In fiscal year 2011, Council directed staff to prepare a formal policy in Ordinance form codifying the City's reserve policies and complying with Governmental Accounting Standards Board Statement # 54. Direction was given to establish a separate "Rainy Day Fund" which could not be used except in unusual circumstances. The Ordinance (effective July 28, 2011) establishes a Net Revenue Stabilization or "Rainy Day" Fund, which would have minimum fund balance of three percent (3%) of annual budgeted General Fund expenses, a target fund balance of four and a half percent (4.5%) of General Fund expenses and a maximum fund balance of six percent (6%) of annual General fund expenses. The Ordinance also requires a minimum General Fund Operating Reserve fund balance of three percent (3%) of General Fund expenses and would require that the two percent (2%) Emergency Reserve allocation be included in future year budgets. Under the Ordinance, Net Revenue Stabilization Fund balance could only be appropriated for expenditure by the City Council if at least one of three circumstances is met:

- 1.) The General Fund Operating Reserve fund balance is projected to fall below one percent (1%) of budgeted expenditures.

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- 2.) A natural or man-made disaster has occurred; AND the City of Norman has spent or obligated to spend the two percent Emergency Reserve account in the General Fund
- 3.) A major one-time or capital expenditure has been necessitated, such as for major repairs to or replacement of City of Norman facilities.

Capital Reserve

A portion of fund balance equal to the average of the forecasted capital expenditures during the five-year forecasted period has been reserved in each fiscal year budget to provide assurance that resources are available to provide for the normal replacement of depreciable assets.

Debt Reserve

A portion of fund balance equal to the average annual debt service requirement has been reserved to provide assurance that resources are available to meet each fiscal year's debt service payment. This policy may be superseded by requirements of bond covenants or the absence of outstanding debt.

Investment Policy

Policy:

It is the policy of the City of Norman to invest all public funds in a manner which will provide the maximum security of principal, while meeting the daily cash flow demands of the City, conforming to all state and local statutes governing the investment of public funds, and providing the highest practical investment return within these guidelines.

Diversification:

The City of Norman will diversify its investments by institution. With the exception of U.S. Treasury and agency securities and authorized pools, no more than 50% of the entity's total investment portfolio will be placed through a single financial institution.

Maximum Maturities:

To the extent possible, the City of Norman will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City of Norman will not directly invest in securities maturing more than ten years from the date of purchase.

Internal Control:

The City Finance Director shall establish an annual process of independent review by an external auditor. The review will provide internal control by assuring compliance with policies and procedures.

Performance Standards:

The investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account the City of Norman's investment risk constraints and cash flow needs.

Reporting:

The City Finance Director shall provide the City Council with a monthly investment activity report within fifteen days of the closing of financial transactions for the month for which the report is made. The report shall include a listing of the investment transactions made and the amounts therefor; interest earned on each investment within the month; current investment and maturity schedules; and overall performance compared to previous years and market benchmarks.

Debt Policy

The Debt Policy for the City of Norman is established to help ensure that all debt is issued both prudently and cost effectively. The Constitution of the State of Oklahoma, Article X, Sections 26-28 allow the indebtedness of a city for the purpose of financing the purchase, construction, or improvement of any public utility or combination of public utilities which shall be owned exclusively by such city.

The City of Norman, with differing levels of approval (majority voter approval for some, 60% voter approval for some, Council approval for some), may legally issue debt using any of the debt instruments below:

- Unlimited Tax General Obligation Bonds
- Limited Tax General Obligation Bonds
- Revenue Bonds
- Certificates of Participation (COPs)
- Special Assessment District Bonds
- Tax Increment Finance District Bonds
- Revenue Anticipation Notes
- Bond Anticipation Notes
- Tax Anticipation Notes
- Short Term Debt
- Local Option Capital Asset Lending (LOCAL) Program Debt

The City of Norman's 2015 legal debt limit is approximately \$87,355,000, based on Section 26 of the Oklahoma Constitution. It states that bonds issued for road and/or bridge improvements cannot exceed ten percent (10%) of the net assessed valuation (gross valuation minus homestead) of the City. This limit can be raised by a vote of the people. There is no real legal debt limit; the practical limit is based on what the voters would consider an appropriate level of property tax-backed debt.

The City of Norman's utility revenue bonds are rated AA2 by Moody's Investors Service.

Levelized Rates

Utility rates should be set at a level to meet the average net income requirement over a five-year period without the need for interim adjustments and to meet all reserve requirements at the end of the five-year period.

Utility Transfer to General Fund

The amount of transfer from the Water and Water Reclamation Funds in support of the General Fund is based on a policy that provides continuity in all three funds. A transfer equal to 5% of the operating revenue in each utility would return to the General Fund an amount consistent with what public utilities provide in franchise fees and property taxes. This transfer was increased in FYE 11 from 2%.

Municipal Budget Act

The City of Norman adopted the “Municipal Budget Act,” a provision of State Statute, by Resolution R-7980-28 dated January 22, 1980. A copy of the Municipal Budget Act is found in this section of the document.

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BUDGET CALENDAR Fiscal Year Ending 2017

- October** 8 Finance Committee meeting to discuss budget process for FYE 2017
- November** 17 Council Work Session on Capital Budget to identify Council priorities
- December** 10 I.T. critical computer replacement list due
 11 "Budget Kick-Off" - Distribute budget request forms & base budgets to department representatives
- January** 4 First Draft Capital Project forms due to Planning
 Send out Outside Agency Letters/RFI's
4-8 Budget Staff meets with individual departments
14 Mid-Year Amendments/Adjustments meeting with Council Finance Committee
15 All Computer/I.T. related request forms due to Budget for disbursement to I.T.
18 Finance/City Manager begin review of reserve/budget policies
 Health Insurance recommendation
25 Base Budget Adjustment Requests due
29 Last day to make changes to Base Budgets
- February** 1 Personnel Adjustment & Fleet Request forms due to Budget
 New/Expanded Program Request forms due to Budget
 Revenue projections due to Accounting
 2nd Draft Capital Project forms due to Planning
11 Council Finance Committee meeting for outside agency funding requests
15 Preliminary Fund Summaries due
22 Fleet Capital Equipment/Vehicle recommendations due to Finance
 Personnel Adj. recommendations due to Budget from Human Resources
 Computer Equipment recommendations and inventory list due to Budget from I.T.
23 Council Retreat - Capital Budget (midpoint evaluations for CIP proposals)
- March** 1 Updated Dept./Div. Summary forms & Performance Measurement forms due
 Final Capital Project forms due to Planning (last day to make changes)
 Send out inter-city surveys and notices to NCVB and NAC
4 Management Team Budget Retreat to prioritize and rank department requests
7-10 City Manager review of all Funds
 City Manager meets with department heads to review budget
14 Finance begins compilation of budget data
25 City Manager wrap up and proposal of budget
 Last day to make changes / additions to operating budget
 Capital Project Schedules due to Finance from Planning
- April** 6 Preliminary Budget to Print Shop
11 Meet w/ NPS for SRO Program costing for FY17
14 Council & Staff receive preliminary budget document
19 Council Study Session - Overview, General Fund and Special Revenue Funds
26 Council Study Session for Enterprise Funds
- May** 2 Council Study Session for Capital Funds
17 Publish budget summary in newspaper announcing Public Hearing
24 Public Hearing at Council meeting
- June** 7 Council Study Session (if necessary)
14 Council considers budget for adoption
20 Final Budget to Print Shop for printing/binding
27 File budget with Excise Board & State Auditor
- July** 1 Beginning of Fiscal Year Ending 2017

Note: The above dates are preliminary and may change.

THE BUDGET AND ACCOUNTING PROCESS

The City of Norman, Oklahoma, is a municipal corporation incorporated under a Municipal Charter pursuant to Article XVIII, of the Constitution and laws of the State of Oklahoma. The City operates under a Council-Manager form of government and provides such services as are authorized by its Charter to advance the welfare, health, morals, comfort, safety and convenience of the City and its inhabitants.

The City's major activities or functions include police and fire protection, parks and libraries, public health and social services, planning and zoning and general administrative services. In addition, the City owns and operates four major enterprise activities - the Water, Water Reclamation and Sanitation utility system, and the Westwood Park complex. This budget includes the fund and account groups required to account for those activities, organizations and functions that are related to the City and controlled by or dependent upon the City's governing body, the City Council.

THE BUDGET PROCESS

The City prepares its annual operating budget on a basis (Budget basis) which differs from Generally Accepted Accounting Principles (GAAP basis). The major difference between GAAP and Budget basis is that encumbrances are recorded as reservations of fund balance on a GAAP basis as opposed to the equivalent of expenditures (Budget basis) in all governmental funds.

The City of Norman uses modified zero-based budgeting to develop the annual operating budget. This approach requires City Departments to present a basic budget and supplements to the basic budget, which represents program additions or enhancements. The City Council adheres to the following procedures in establishing the budget:

1. Under the City Charter, the City Manager is responsible for preparing and recommending an operating budget for City Council consideration. The City Manager, working with staff in all Departments, reviews and evaluates all basic budgets and supplemental requests to determine whether they fulfill City Council goals and objectives, improve management effectiveness, or increase productivity. The proposed budget, which the City Manager submits to the City Council, includes recommendations of the program of services, which the City should provide, and which can be financed by the City's projected revenue for the budget year. The Manager must submit a balanced budget for the next fiscal year not later than 30 days prior to the end of the current fiscal year.
2. The City Council considers the Manager's recommended budget in a series of work sessions and in public hearings at which citizen comment is invited. Citizens are encouraged to participate in the budget process. A copy of the proposed budget and the adopted budget are filed in the City Clerk's office and the Norman Public Library. Additional or supplemental information is available upon request.
3. The budget for the next fiscal year is legally enacted by the City Council through passage of an ordinance not later than seven days before the beginning of the new budget year.

4. Expenditures may not legally exceed appropriations at the Fund level for each legally adopted annual operating budget. The City Manager, without Council approval, may transfer appropriation balances from one expenditure account to another within a Fund/Department of the City. The City Council, however, must approve any transfer of unencumbered appropriation balance or portions thereof from one Fund to another.
5. Annual budgets are legally adopted for all governmental funds. Budgets for the Debt Service Funds are adopted on a basis consistent with Generally Accepted Accounting Principles.

Formal budgetary integration is not employed for the proprietary funds. The City adopts an annual, informal budget as a financial plan for all proprietary funds.

The expendable trust fund includes non-budgeted financial activities, which are not subject to an appropriated budget and the appropriation process nor to any legally authorized non-appropriated budget review and approval process.

6. At the close of each fiscal year, any unencumbered appropriation balance lapses or reverts to the undesignated fund balance.

THE ACCOUNTING PROCESS

The accounting and reporting policies of the City conform to Generally Accepted Accounting Principles ("GAAP") applicable to state and local governments. Generally Accepted Accounting Principles for local governments include those principles prescribed by the Governmental Accounting Standards Board ("GASB"), which includes all statements and interpretations of the National Council on Governmental Accounting unless modified by the GASB, and those principles prescribed by the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units. The following is a summary of the more significant policies and practices used by the City.

BASIS OF PRESENTATION

The accounts of the City are organized and operated on the basis of funds or account groups, each of which is considered to be a separate fiscal and accounting entity. The operations of each fund are accounted for with a self-balancing set of accounts that comprise its assets, liabilities, fund balances or retained earnings, revenues and expenditures or expenses. The various funds are grouped by category and type. The City maintains the following fund classifications and account groups:

CITY OF NORMAN FUNDS

All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

GOVERNMENTAL FUNDS

Governmental funds are used to account for the relatively liquid portion of the City's assets that are not accounted for through proprietary or fiduciary funds, the short-term obligations pertaining thereto and the net balance of these financial resources available for subsequent appropriation and expenditure.

General Fund - The General Fund is the general operating fund of the City. This fund is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs.

Capital Project Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). They are presented in a separate document.

PROPRIETARY FUNDS

Proprietary Funds are those used to account for the City's ongoing organizations and activities which are similar to those found in the private sector. The measurement focus is upon capital maintenance and upon determination of net income, financial position and changes in financial position.

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises wherein the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Funds – Internal Service Funds are used to allocate certain costs (e.g. Risk Management/Insurance) to other funds within the government.

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for other governmental units and/or other funds. Trust and Agency Funds include expendable trust and payroll agency funds. (Not presented in this document).

FUNDING SOURCES FOR EACH DEPARTMENT

Divisions	Governmental Funds				Proprietary Funds	
	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				
Park Land & Development		SR				
Fire - Public Safety Sales Tax		SR				
Police - Public Safety Sales Tax		SR				
Room Tax		SR				
Seizures & Restitution		SR				
Special Grants		SR				
Campus Corner TIF District		SR				
Art in Public Places		SR				
Westwood Park		SR				
Sanitation					EN	
Water Reclamation					EN	
Sewer Maintenance					EN	
New Development Excise					EN	
Sewer Sales Tax					EN	
Water					EN	
Risk Management						IS
Capital Projects				CA		
Norman Forward Sales Tax				CA		
Hall Park Assessment District				CA		
University North Park TIF District				CA		
Arterial Roads Recoupment				CA		
General Debt Service		DS				
General Obligation Bond		DS				

BASIS OF ACCOUNTING

Basis of accounting refers to the time at which revenues and expenditures or expenses are recognized in the accounts and reported. Governmental funds, expendable trust funds, and agency funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets. Available means collectible within the current period or expected to be collected within 60 days after year end and be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include unmatured principal and interest on general long-term obligations which are recognized when due. This exception is in conformity with Generally Accepted Accounting Principles.

Property tax revenues and sales tax receipts are considered measurable and available when collected and recognized as revenue at that time. Licenses and permits, fines and forfeits, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded on the accrual basis in all funds.

Intergovernmental revenues are recorded on a basis applicable to the legal and contractual requirements of the various individual grant programs.

All proprietary funds are accounted for using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recorded in the accounting period incurred, if measurable.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities since the commitments will be honored during the subsequent year. For budgetary purposes, encumbrances outstanding at year end and the related appropriation are carried forward to the new fiscal year. Encumbrances constitute the equivalent of expenditures for budgetary purposes.

**MUNICIPAL BUDGET ACT
(Title 11 Oklahoma Statutes 2006)**

SECTION 17-201. MUNICIPAL BUDGET ACT.

This act may be cited as the "Municipal Budget Act."

SECTION 17-202. PURPOSE OF ACT.

The purpose of this act is to provide an alternate budget procedure for municipal governments, which will:

1. Establish standard and sound fiscal procedures for the adoption and administration of budgets;
2. Make available to the public and investors sufficient information as to the financial conditions, requirements and expectations of the municipal government; and
3. Assist municipal governments to improve and implement generally accepted standards of finance management.

SECTION 17-203. APPLICATION OF ACT

This act shall apply to any incorporated city or town which, by resolution of the governing body, opts to come under and comply with all its provisions and requirements. Once a municipality has selected the Municipal Budget Act to govern its budget procedures, the provisions of this act shall take precedence over any other state laws applicable to municipal budgets, except as may be provided otherwise in this act, and supersede any conflicting laws. Any action of a municipal governing body to implement, rescind or repeal the application of the Municipal Budget Act shall be effective as of the beginning or end of a budget year pursuant to this act.

SECTION 17-204. DEFINITIONS

As used in this act:

1. "Account" means an entity for recording specific revenues or expenditures, or for grouping related or similar classes of revenues and expenditures and recording them within a fund or department;
2. "Appropriated fund balance" means any fund balance appropriated for a fund for the budget year;
3. "Appropriation" means an authorization to expend or encumber income and revenue provided for a purpose;
4. "Budget" means a plan of financial operations for a fiscal year, including an estimate of proposed expenditures for given purposes and the proposed means for financing them;
5. "Budget summary" means a tabular listing of revenues by source and expenditures by purpose for the budget year;

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6. "Budget year" means the fiscal year for which a budget is prepared or being prepared;
7. "Chief executive officer" means the mayor of an aldermanic city or a strong-mayor-council city, the mayor of a town, or the city manager or chief administrative officer as it may be defined by applicable law, charter or ordinance;
8. "Current year" means the year in which the budget is prepared and adopted, or the fiscal year immediately preceding the budget year;
9. "Deficit" means the excess of a fund's current liabilities and encumbrances over its current financial assets as reflected by its books of account;
10. "Department" means a functional unit within a fund which carries on a specific activity, such as a fire department or a police department within a general fund;
11. "Estimated revenue" means the amount of revenues estimated to be received during the budget year;
12. "Fiscal year" means the annual period for reporting fiscal operations which begins and ends on dates as the Legislature provides or as provided by law;
13. "Fund" means an independent fiscal and accounting entity with a self-balancing set of accounts to record cash and other financial resources, together with all liabilities, which are segregated for the purpose of carrying on specific activities or attaining certain objectives;
14. "Fund balance" means the excess of a fund's current financial assets over its current liabilities and encumbrances, as reflected by its books of account;
15. "Governing body" means the city council of a city, the board of trustees of a town, or the legislative body of a municipality as it may be defined by applicable law or charter provision;
16. "Immediate prior fiscal year" means the year preceding the current year;
17. "Income and revenue provided" means the amount estimated or actual income and revenue appropriated by the governing body of the municipality;
18. "Levy" means to impose ad valorem taxes or the total amount of ad valorem taxes for a purpose or entity;
19. "Operating reserve" means that portion of the fund balance of the municipality which has not been appropriated in a budget year for another purpose;
20. "Municipality" means any incorporated city or town; and
21. "Purpose" means the specific budget item for a contract or claim.

SECTION 17-205. ANNUAL BUDGET - PREPARATION AND SUBMISSION - ASSISTANCE OF OFFICERS, EMPLOYEES AND DEPARTMENTS

At least thirty (30) days prior to the beginning of each fiscal year, a budget for the municipality shall be prepared by the chief executive officer and submitted to the governing body. The chief executive officer may require any other officer or employee who is charged with the management or control of any department or office of the municipality to furnish estimates for the fiscal year covering estimated revenues and expenditures of the department or office on or before a date set by the chief executive officer.

SECTION 17-206. REQUIREMENTS AND CONTENTS OF BUDGET

- A. The municipal budget shall present a complete financial plan for the municipality and shall present information necessary and proper to disclose the financial position and condition of the municipality and the revenues and expenditures thereof.
- B. Unless the budget is prepared in accordance with the subsection E of this section, the budget shall contain the following contents:
 - 1. The budget shall contain a budget summary;
 - 2. It shall also be accompanied by a budget message, which shall explain the budget and describe its important features;
 - 3. The budget format shall be as provided by the governing body in consultation with the chief executive officer; and
 - 4. It shall contain at least the following in tabular form for each fund, itemized by department and account within each fund:
 - a. actual reserves and expenditures for the immediate prior fiscal year,
 - b. revenues and expenditures for the current fiscal year as shown by the budget for the current year as adopted or amended, and
 - c. estimates of revenues and expenditures for the budget year.
- C. The estimate of revenues for any budget year shall include probable income by source which the municipality is legally empowered to collect or receive at the time the budget is adopted. The estimate shall be based on a review and analysis of past and anticipated revenues of the municipality. Any portion of the budget of revenues to be derived from ad valorem property taxation shall not exceed the amount of tax which is available for appropriation, as finally determined by the county excise board, or which can or must be raised as required by law. The budget of expenditures for each fund shall not exceed the estimated revenues for each fund. No more than ten percent (10%) of the total budget for any fund may be budgeted for miscellaneous purposes. Included in the budget of revenues or expenditures for any fund may be amounts transferred from or to another fund. Any such interfund transfer must be shown as a disbursement from the one fund and as a receipt to the other fund.

- D Encumbrances for funds whose sole purpose is to account for grants and capital projects and/or any unexpended appropriation balances may be considered nonfiscal and excluded from the budget by the governing body, but shall be re-appropriated to the same funds, accounts and for the same purposes for the successive fiscal year, unless the grant, project or purpose is designated or declared closed or completed by the governing body
- E As an alternative to the budget format and content described in subsections B, C, and D of this section, the municipality may prepare its budget in a program or purpose format for the municipality as a whole without regard to fund accounting. Such budget shall be subject to all other requirements of the Municipal Budget Act, except those requirements specifically related to fund accounting.

SECTION 17-207. MONIES RECEIVED AND EXPENDED MUST BE ACCOUNTED FOR BY FUND OR ACCOUNT

Any monies received or expended by a municipality must be accounted for by fund and account, regardless of the format of the budget. Each municipality shall adopt an appropriation for the general fund and for all other funds established by the governing body pursuant to the provisions of Section 17-212 of this title, or as an alternative, for each purpose as established by the governing body. The municipal governing body shall determine the needs of the municipality for sinking fund purposes, pursuant to the provisions of Section 431 of Title 62 of the Oklahoma Statutes, Section 3017 of Title 68 of the Oklahoma Statutes, and Section 28 of Article 10 of the Oklahoma Constitution, and include these requirements in the debt service budget for the budget year.

SECTION 17-208. PUBLIC HEARING ON PROPOSED BUDGET - NOTICE - COPIES OF PROPOSED BUDGET

The municipal governing body shall hold a public hearing on the proposed budget no later than fifteen (15) days prior to the beginning of the budget year. Notice of the date, time and place of the hearing, together with the proposed budget summary, shall be published in a newspaper of general circulation in the municipality not less than five (5) days before the date of the hearing. The municipal clerk shall make available a sufficient number of copies of the proposed budget as the governing body shall determine and have them available for review or for distribution or sale at the office of the municipal clerk. Whenever the total operating budget, not including debt service, does not exceed Twelve Thousand Dollars (\$12,000.00) per year, the proposed budget summary and notice may be posted at the governing body's principal headquarters in lieu of publication in a newspaper. At the public hearing on the budget any person may present to the governing body comments, recommendations or information on any part of the proposed budget.

SECTION 17-209. ADOPTION OF BUDGET - FILING - EFFECTIVE PERIOD - USE OF APPROPRIATED FUNDS - LEVYING TAX

- A After the hearing and at least seven (7) days prior to the beginning of the budget year, the governing body shall adopt the budget by resolution, or as any charter may require. The governing body may add or increase items or delete or decrease the items in the budget. In all cases the appropriations shall not exceed the income and revenue provided by the governing body from estimated revenues and appropriated fund balance.

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- B. The adopted budget shall be transmitted to the State Auditor and Inspector within thirty (30) days after the beginning of the fiscal year of the municipality and one copy shall be kept on file in the office of the municipal clerk. A copy of the municipality's sinking fund requirements shall be filed with the excise board of the county or counties in which the municipality is located.
- C. The adopted budget shall be in effect on and after the first day of the fiscal year to which it applies. The budget as adopted and filed with the State Auditor and Inspector shall constitute an appropriation for each purpose as defined by the governing body, and the appropriation thus made shall not be used for any other purpose except as provided by law
- D. At the time required by law, the county excise board shall levy the taxes necessary for the municipality's sinking fund for the budget year pursuant to Section 431 of Title 62 of the Oklahoma Statutes.

SECTION 17-210. PROTESTS - FAILURE TO PROTEST - EXAMINATION OF FILED BUDGET

Within fifteen (15) days after the filing of any municipal budget with the State Auditor and Inspector, any taxpayer may file protests against any levy of ad valorem taxes for creating sinking funds in the manner provided by this section and Sections 24104 through 24111 of Title 68 of the Oklahoma Statutes. The fifteen-day protest period begins upon the date the budget is received in the Office of the State Auditor and Inspector. After receipt of a taxpayer protest, the State Auditor and Inspector shall transmit by certified mail one copy of each protest to the municipal clerk, and one copy of each protest to the county treasurer and the excise board of each county in which the municipality is located. The taxpayer shall specify the grounds upon which the protest is based. Any protest filed by any taxpayer shall inure to the benefit of all taxpayers. Provided, the provisions of this section shall not delay any budget expenditures of a municipality if the amount of revenue from the ad valorem tax levy which is deposited in the municipal general fund is less than five percent (5%) of the total revenue accruing to the municipal general fund during the prior year. If no protest is filed by any taxpayer within the fifteen-day period, the budget and any appropriations thereof shall be deemed legal and final until amended by the governing body or the county excise board as authorized by law. Taxpayers shall have the right at all reasonable times to examine the budget on file with the municipal clerk or the State Auditor and Inspector for the purpose of filing protests in accordance with this section and Sections 24104 through 24111 of Title 68.

SECTION 17-211. EXPENDITURE OR ENCUMBRANCE OF FUNDS - BALANCES TO BE CARRIED FORWARD - UNLAWFUL ACTS AND LIABILITY THEREFORE

- A. No expenditure may be incurred or made by any officer or employee, which exceeds the fund balance for any fund. Any fund balance remaining in a fund at the end of the fiscal year shall be carried forward to the credit of the fund for the next fiscal year. No expenditure may be authorized or made by any officer or employee, which exceeds the appropriation of any fund.
- B. It shall be unlawful for any officer or employee of the municipality in any budget year:

1. To create or authorize creation of a deficit in any fund; or
2. To authorize, make or incur expenditures in excess of ninety percent (90%) of the appropriation for any fund or the budget as adopted or amended until revenues received, including the prior fiscal year's fund balance carried forward, totals an amount equal to at least ninety percent (90%) of the appropriation for the fund. Expenditures may then be made and authorized so long as any expenditure does not exceed any fund balance.
- C. Any obligation that is contracted or authorized by any officer or employee in violation of this act shall become the obligation of the officer or employee himself and shall not be valid or enforceable against the municipality. Any officer or employee who violates this act shall forfeit his office or position and shall be subject to such civil and criminal punishments as are provided by law. Any obligation, authorization for expenditure or expenditure made in violation of this act shall be illegal and void.

SECTION 17-212. FUNDS - ESTABLISHMENT - KINDS

A municipality shall establish funds consistent with legal and operating requirements. Each municipality shall maintain according to its own needs some or all of the following funds or ledgers in its system of accounts:

1. A general fund, to account for all monies received and disbursed for general municipal government purposes, including all assets, liabilities, reserves, fund balances, revenues and expenditures which are not accounted for in any other fund or special ledger account. All monies received by the municipality under the motor fuel tax or under the motor vehicle license and registration tax and earmarked for the street and alley fund may be deposited in the general fund and accounted for as a "street and alley account" within the general fund. Expenditures from this account shall be made as earmarked and provided by law. All references to the street and alley fund or to the special fund earmarked for state-shared gasoline and motor vehicle taxes may mean the street and alley account provided in this section;
2. Special revenue funds, as required, to account for the proceeds of specific revenue sources that are restricted by law to expenditures for specified purposes;
3. Debt service fund, which shall include the municipal sinking fund, established to account for the retirement of general obligation bonds or other long term debt and payment of interest thereon and judgments as provided by law. Any monies pledged to service general obligation bonds or other long-term debt must be deposited in the debt service fund;
4. Capital project funds, to account for financial resources segregated for acquisition, construction or other improvement related to capital facilities other than those accounted for in enterprise funds and non-expendable trust funds;
5. Enterprise funds, to account for each utility or enterprise or other service, other than those operated as a department of the general fund, where the costs are financed primarily through user charges or where there is a periodic need to determine revenues earned, expenses incurred or net income for a service or program.

CITY OF NORMAN

6. Trust agency funds, to account for assets held by the municipality as trustee or agent for individuals, private organizations or other governmental units or purposes, such as a retirement fund or a cemetery perpetual care fund;
7. Special assessment funds, to account for the financing of public improvements or services deemed to benefit properties against which special assessments are levied; a separate fund for each special improvement district established by the governing body shall be established, each of which shall be known as a special assessment fund;
8. Internal service funds, to account for the financing of goods or services provided by one department or agency of the municipality to another department or agency, or to another government, on a cost reimbursement basis;
9. A ledger or group of accounts in which to record the details relating to the general fixed assets of the municipality;
10. A ledger or group of accounts in which to record the details relating to the general bonds or other long term debt of the municipality; or
11. Such other funds or ledgers as may be established by the governing body

SECTION 17-213. FUNDS - CLASSIFICATION OF REVENUES AND EXPENDITURES

Each fund shall be made up of accounts for classifying revenues and expenditures. Revenues shall be classified separately by source. Expenditures shall be departmentalized within each fund and shall be classified into at least the following accounts:

1. Personal services, which may include expenses for salaries, wages, per diem or other compensation, fees, allowances or reimbursement for travel expenses, and related employee benefits, paid to any officer or employee for services rendered or for employment. Employee benefits may include employer contributions to a retirement system, insurance, sick leave, terminal pay or similar benefits;
2. Materials and supplies, which may include articles and commodities which are consumed or materially altered when used, such as office supplies, operating supplies and repair and maintenance supplies, and all items of expense to any person, firm or corporation rendering service in connection with repair, sale or trade of such articles or commodities;
3. Other services and charges, which may include all current expenses other than those listed in paragraphs 1, 2, 4, 5 or 6 in this section, such as services or charges for communications, transportation, advertising, printing or binding, insurance, public utility services, repairs and maintenance, rentals, miscellaneous items and all items of expenses to any person, firm or corporation rendering such services;
4. Capital outlays, which may include outlays which result in acquisition of or additions to fixed assets which are purchased by the municipality, including machinery and equipment, furniture, land, buildings, improvements other than buildings, and all construction, reconstruction, appurtenances or improvements to real property accomplished according to the conditions of contract;

5. Debt service, which may include outlays in the form of debt principal payments, periodic interest payments, or related service charges for benefits received in part in prior fiscal periods as well as in current and future fiscal periods; and
6. Fund transfers, which may include permanent transfers of resources from one fund to another.

SECTION 17-214. FUNDS - OPERATING RESERVE

A municipality may create an operating reserve for the purpose of providing a fund or reserve out of which to meet emergency expenditures.

SECTION 17-215. TRANSFER OF UNEXPENDED OR UNENCUMBERED APPROPRIATION - LIMITATIONS ON ENCUMBRANCES OR EXPENDITURES

- A. The chief executive officer, or designee, as authorized by the governing body, may transfer any unexpended and unencumbered appropriation or any portion thereof from one purpose to another, except that no appropriation for debt service or other appropriation required by law or ordinance may be reduced below the minimums required.
- B. Any fund balance in an unrestricted fund of the municipality may be transferred to another fund of the municipality as authorized by the governing body. Other interfund transfers may be made only as adopted or amended according to Section 17-206 or 17-216 of this title.
- C. Whenever the necessity for maintaining any fund of a municipality has ceased to exist and a balance remains in the fund, the governing body may authorize the transfer of the balance to the general fund or any other designated fund, unless otherwise provided by law.
- D. No encumbrance or expenditure may be authorized or made by any officer or employee, which exceeds the available appropriation for each purpose as defined by the governing body.

SECTION 17-216. SUPPLEMENTAL APPROPRIATIONS TO FUNDS - AMENDMENT OF BUDGET

- A. The governing body may amend the budget to make supplemental appropriations to any purpose up to the amount of additional income and revenues, which are available and provided for current expenditures due to:
 1. Revenues received or to be received from sources not anticipated in the budget for that year;
 2. Revenues received or to be received from anticipated sources but in excess of the budget estimates therefore; or
 3. Unexpended and unencumbered fund balances on hand at the end of the preceding fiscal year, which had not been anticipated or appropriated in the budget. Any appropriation authorizing the creating of indebtedness shall be governed by the applicable provisions of Section 26 of Article 10 of the Oklahoma Constitution.

- B. If at any time during the budget year it appears probable that revenues available will be insufficient to meet the amount appropriated, or that due to unforeseen emergencies there is temporarily insufficient money to meet the requirements of appropriation, the governing body shall take action as it deems necessary. For that purpose, it may amend the budget to reduce one or more appropriations or it may amend the budget to transfer money from one purpose to another purpose, but no appropriation for debt service may be reduced and no appropriation may be reduced by more than the amount of the unencumbered and unexpended balance thereof. No transfer shall be made from the debt service fund to any other fund except as may be permitted by the terms of the bond issue or applicable law.
- C. A budget amendment as provided in this section authorizing supplemental appropriations or a decrease in the total appropriation of funds shall be adopted at a meeting of the governing body and filed with the municipal clerk and the State Auditor and Inspector.

SECTION 3002 – AUDITS (Title 68 Oklahoma Statutes 2001)

- A. (Pertains to counties and school districts)
- B. Each municipality that does not prepare an annual audit pursuant to Section 17-105 of Title 11 of the Oklahoma Statutes shall make a financial statement as required by this section. Such municipality shall adopt a budget, which shall contain estimates of expenditures and revenues, including probable income by source, for the budget year; provided, that all municipalities may use estimated fund balances if final certified fund balances are not available. The budget shall be in a format similar to the estimate of needs or, at the municipality's discretion, to Sections 17-207 and 17-212 through 17-214 of Title 11 of the Oklahoma Statutes. This section shall not apply to any municipality that has opted to prepare a budget pursuant to the Municipal Budget Act.
- C. Each budget and each financial statement and estimate of needs for each county, city, incorporated town, or school district, as prepared in accordance with this section, shall be published in one issue in some legally qualified newspaper published in such political subdivision. If there be no such newspaper published in such political subdivision, such statement and estimate shall be so published in some legally qualified newspaper of general circulation therein; and such publication shall be made, in each instance, by the board or authority making the estimate.
- D. The financial statements and estimates of all counties shall be filed with the county excise board on or before August 17 of each year; and the financial statements and budgets of all incorporated towns shall be filed with the county excise board on or before August 22 of each year; and the financial statements and budgets of all cities shall be filed with the county excise board on or before August 27 of each year; and the financial statements and estimates of all school districts shall be filed with the county excise board on or before September 1 of each year. Said financial statements and estimates shall have attached thereto an affidavit showing the publication thereof as required herein, or they may be filed and the said affidavit attached thereto at any time within five (5) days after the filing thereof.

NORMAN IMPLEMENTATION OF MUNICIPAL BUDGET STATUTES

The City of Norman and its related Trusts and Authorities have been in full compliance with Generally Accepted Accounting Principles and the Oklahoma Municipal Budget Act since 1988. Some of the defined terms in Section 17-204 and 17-213 of the Municipal Budget Act are further explained as follows:

“Municipality” is The City of Norman and **“Governing Body”** is the City Council;

“Budget Year” and **“Fiscal Year”** is July 1 through June 30;

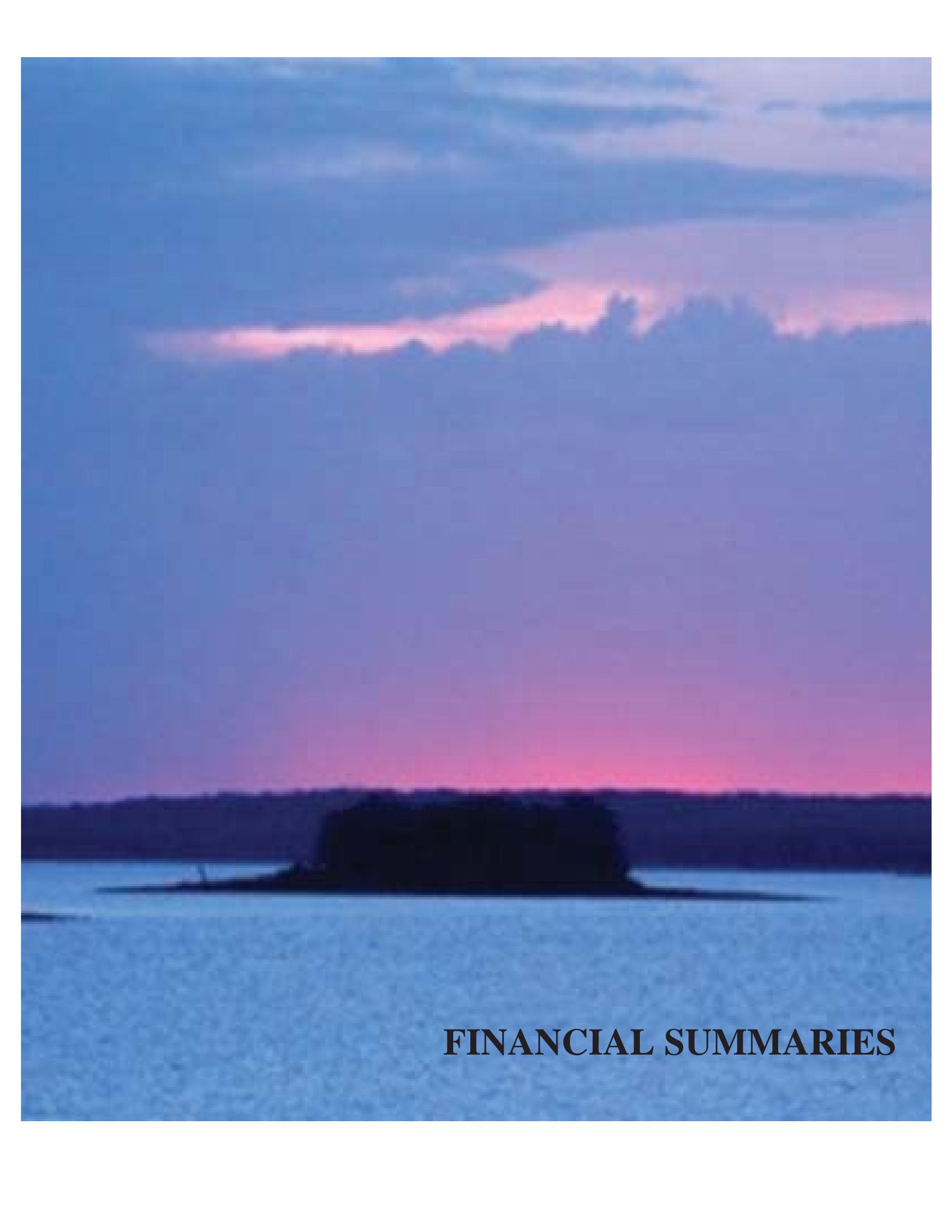
“Chief Executive Officer” is the City Manager;

“Personal Services” category expenditures are **“Salaries and Benefit”** category expenditures. These expenditures are generally for payments directly to full and part-time employees of the City, including contributions to retirement and pensions, social security, health insurance, uniform allowances and related expenses.

“Materials and Supplies” category expenditures are generally for consumable goods that are used (or “materially altered” when used) by City employees to provide services to the public and/or our customers (e.g., purchases of pencils, oil filters, chlorine).

“Other Services and Charges” category expenditures are **“Services and Maintenance”** category expenses, generally for services provided to the City of Norman by outside vendors (e.g., hiring Xerox to fix a City copier; hiring a Spanish interpreter, etc.).

“Internal Service” category expenditures are similar to **“Services and Maintenance”** category expenditures, except that the “vendor” that is providing the services to the City of Norman is another City department. Internal Service “vendors” of the City include the Fleet Management Division (providing centralized fueling and vehicle repair), the Facilities Management Division (providing centralized building repair, custodial and maintenance), the Office Services Division (providing centralized printing and mailing services) and the Risk Management Division (providing worker’s compensation, health insurance and property casualty services).

A wide-angle photograph of a sunset over a calm body of water. The sky is filled with horizontal clouds, transitioning from deep blue at the top to vibrant orange and red near the horizon. In the distance, a range of mountains is visible against the bright sky.

FINANCIAL SUMMARIES

**GENERAL FUND
BUDGET
HIGHLIGHTS**

Background

The General Fund is used to account for resources that are utilized for general government activities such as:

- Park and Public Lands Maintenance
- Street Maintenance
- Neighborhood Revitalization and Code Enforcement
- Public Safety and Emergency Response
- Traffic Control
- Public Transportation
- Storm Water Drainage and Flood Control

These services are distinct in that they promote the overall public good, are provided to everyone in the community equally, and cannot be denied to anyone.

The major sources of revenue are sales tax, franchise fees, and cost allocation charges. Sales tax revenues allocated to the General Fund are equal to 77% of a three percent tax (3%). Franchise fees are generated by a fee on the gross receipts within Norman of public utilities as follows:

A T & T Cable	5%
A T & T Telephone	2%
Oklahoma Gas & Electric	3%
Oklahoma Natural Gas	4.25%
Cox Communications Cable	5%
Cox Communications Telephone	2%
Oklahoma Electric Cooperative	5%

The City's Water and Water Reclamation Utility Enterprises also make a five percent (5%) payment in-lieu of franchise fees to the General Fund.

Revenues derived from cost allocation charges are the result of the distribution of the cost of centrally-provided support services benefiting departments of the City such as:

- Management (Council and Manager)
- Accounting/Purchasing/Payroll/Risk Management
- Human Resources
- Information Systems
- Legal
- Investment/Debt Administration

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A five-year financial forecast is found in this section. The purpose of a five-year forecast is to project existing conditions into the future, given certain assumptions, in order to determine future financial viability, to identify financial strengths and weaknesses, and to provide a base for remedial or supportive financial policy.

FYE 17 Budget

The Fiscal Year Ending June 30, 2017 (FYE 17) budget is a legally balanced budget in that total resources available for appropriations are greater than total expenditures.

Estimated Beginning Fund Balance	\$ 3,475,710
Current Revenues & Interfund Transfers	<u>77,861,991</u>
Total Available Resources	81,337,701
Current Expenditures & Interfund Transfers	(<u>77,861,930</u>)
Estimated Ending Fund Balance	\$3,475,771

In the City's Comprehensive Annual Financial Report, (page 81) for Fiscal Year ending June 30, 2015, reconciliation is given between budget fund balance and the General Fund balance reported on the City Balance Sheet. This reconciliation is summarized as follows:

Fund balances – budgetary basis, June 30, 2015	\$ 2,476,505
Encumbrances outstanding	<u>3,018,174</u>
Fund summary cash balance (see page 56)	5,494,679
Current year accruals	5,713,286
Rainy Day Fund Balance	<u>3,191,393</u>
Total fund balances – fund balance sheet, June 30, 2015	\$ 14,399,358

Estimated sales tax revenues are normally based on a 20-year, multivariate regression model. FYE 17 sales tax is being projected at a 2% increase over estimated FYE 16 collections, and an increase of 3% from the FYE 16 Budget. Other revenues such as use tax, and other taxes are projected at a 3% increase from FYE 16 estimated figures. Franchise fees are projected at a 4% increase from FYE 16 estimated figures. Licenses and permit fees are projected at a 0.4% increase from FYE 16 estimated figures. Fines and forfeitures are estimated at a 3% increase and service fees and charges are estimated at a 14% increase from FYE 16 estimated figures (within this category, significant increases to recreational fee revenues are included).

FYE 17 expenditures are projected based on a line-item analysis within each department. Salaries and benefits are budgeted with no cost of living increases to employee salaries, but do include merit increases. In FYE 17, there will be twenty-seven pay periods instead of the usual twenty-six, due to a cumulating of leap years over a several year period.

A 5.8% increase in salaries and benefits, due to the extra pay period, a -17.9 % decrease in supplies and materials and a -17% decrease in services and maintenance cost from FYE 16 estimated figures are proposed for FYE 17. Internal service costs were decreased by -14.7% from the FYE 16 estimated figures. The decreases in the services and maintenance and internal service categories are related mostly to decreased costs for city fleet fuel, and due to the effect of carry-over expenses included in FYE 16 figures.

For the FYE 17 General Fund Budget, several positions were changed as follows:

<u>Department / Division</u>	<u>Added Positions</u>
Finance / Utility Services	Customer Service Representative
Police / Animal Welfare	Part-time Veterinarian
Public Works/Storm Water Drainage	Maintenance Worker II
Public Works/Storm Water Quality	Storm Water Inspector

All line items have been reviewed on multiple occasions by department staff, Finance Department staff and the City Manager.

Five Year Outlook

- Sales tax revenues are projected at an increase of 2% from FYE 16 Estimate to FYE 17 Projections for FYE 17 through FYE 21 are projected on an average annual growth rate of 4.2%.
- State use tax, franchise taxes, and other taxes are projected to increase at an average of 3% from FYE 17 through FYE 21, while other major revenues are projected to increase at various rates.
- Transfers from the Water and Water Reclamation Utilities will be based on a rate equal to 5% of the gross operating revenues in each utility. This represents a policy to replicate the franchise fee payments from private utilities for franchise fees for the use of public rights-of-way. In addition, transfers from the Capital Improvement Fund are made for financing General Fund capital equipment needs.
- FYE 17 net expenditures represent an approximate 2.7% increase from FYE 16 Budget. Total expenditures are projected to increase an average of 4.1% for future years.
- Other expenditure categories are generally based upon the current year level with a 1% increase per year after FYE 17, except Internal Services, which is projected at a 2% increase after FYE 17. Salaries and Benefits are projected at a 5.8% increase from FYE 16 to FYE 17 and a 5% annual increase after FYE 17

Summary

The FYE 17 General Fund Budget is a balanced budget that has maintained major service levels with current revenues estimated to exceed current expenditures by \$61. Estimated year-end reserves of \$3,475,771 exceed the 3% required operating reserve level.

CITY OF NORMAN

GENERAL FUND (10)
STATEMENT OF REVENUES AND EXPENDITURES

	FYE 15 ACTUAL	FYE 16 BUDGET	FYE 16 ESTIMATED	FYE 17 ADOPTED	FYE 18 PROJECTED	FYE 19 PROJECTED	FYE 20 PROJECTED	FYE 21 PROJECTED
1 Beginning Fund Balance	\$ 5,060,793	\$ 3,983,935	\$ 5,494,679	\$ 3,475,710	\$ 3,475,771	\$ 5,667,953	\$ 7,345,401	\$ 8,457,683
2								
3 Revenues:								
4 Sales Tax	38,448,236	39,667,500	40,050,000	40,851,000	42,566,742	44,354,545	46,217,436	48,158,568
5 State Use Tax	2,454,890	2,472,000	2,610,000	2,688,300	2,768,949	2,852,017	2,937,578	3,025,705
6 Franchise Fees	7,155,689	7,878,562	7,610,750	7,939,073	8,177,245	8,422,562	8,675,239	8,935,496
7 Other Tax	2,183,896	2,334,549	2,202,866	2,268,952	2,337,021	2,407,132	2,479,346	2,553,726
8 Fines/Forfeitures	2,648,751	2,678,000	2,350,000	2,360,500	2,431,315	2,504,254	2,579,382	2,636,763
9 Interest/Investment Income	25,860	25,000	25,000	25,000	25,000	25,000	25,000	25,000
10 Other Revenues	1,524,483	1,818,000	4,303,994	2,474,180	2,498,922	2,523,911	2,549,130	2,574,642
11 License/Permit Fees	1,392,889	1,483,185	1,631,500	1,647,815	1,664,293	1,680,936	1,697,735	1,714,722
12 Service Fees and Charges	1,831,234	1,401,375	1,401,875	1,601,894	1,617,913	1,634,092	1,650,433	1,666,937
13 Cost Allocation Chrgs.	4,022,463	3,910,810	3,910,810	4,122,645	4,163,871	4,205,510	4,247,565	4,290,041
14 Internal Chrgs.	5,480,393	6,014,157	6,014,157	5,721,294	5,835,720	5,952,434	6,071,483	6,192,913
15								
16 Subtotal	67,168,793	69,683,138	72,110,952	71,700,653	74,086,991	76,562,394	79,130,357	81,794,513
17								
18 I/F Transf - Water	741,133	861,500	945,000	1,016,205	1,042,504	1,069,518	1,097,266	1,125,771
19 I/F Transf - Wastewater	573,483	524,948	558,100	617,142	630,921	645,048	659,532	674,385
20 I/F Transf - Sanitation	0	0	0	47,880	50,274	52,788	55,427	58,198
21 I/F Transf - CIP (St Maint)	126,568	251,205	251,205	263,765	276,953	290,801	305,341	320,608
22 I/F Transf - Capital Outlay	2,636,755	3,422,735	5,211,911	4,216,347	3,547,405	3,689,302	3,836,874	3,900,349
23 I/F Transf - PSST Fd	357,180	0	0	0	0	0	0	0
24 I/F Transf - Insurance	36,741	0	16,070	0	0	0	0	0
25 I/F Transf - Room Tax	0	0	0	0	0	0	0	0
26								
27 Subtotal	4,471,860	5,060,388	6,982,286	6,161,339	5,548,057	5,747,456	5,954,439	6,169,310
28								
29 Total Revenue	71,640,653	74,743,525	79,093,238	77,861,991	79,635,048	82,309,850	85,084,797	87,963,823
30								
31 Expenditures:								
32 Salary / Benefits	51,374,456	52,860,771	52,833,001	55,928,280	56,911,199	59,756,759	62,744,597	65,881,827
33 Supplies/Materials	5,305,915	6,195,149	6,367,239	5,224,590	5,276,836	5,329,604	5,382,900	5,436,729
34 Services/Maintenance	7,685,146	9,241,080	10,619,306	8,795,904	8,883,863	8,972,702	9,062,429	9,153,053
35 Internal Services	3,538,686	3,474,872	3,474,932	2,964,278	3,023,564	3,084,035	3,145,716	3,208,630
36 Capital Equipment	2,636,755	3,422,735	5,211,911	3,427,687	3,547,405	3,689,302	3,836,874	3,900,349
37 Fleet Replacement Supplement	0	0	0	788,660	0	0	0	0
38								
39 Subtotal	70,540,958	75,194,607	78,506,589	77,129,399	77,642,867	80,832,401	84,172,515	87,670,588
40								
41 Audit Adjustments/Encumbrances	212,569	0	0	0	0	0	0	0
42 I/F Transf - Westwood	18,499	0	37,303	0	0	0	0	0
43 I/F Transf - Capital Fund	0	0	2,561,791	500,000	0	0	0	0
44 I/F Transf - Rainy Day Fund	326,505	0	0	88,500	0	0	0	0
45 I/F Transf - Special Grts Fd	91,154	0	0	0	0	0	0	0
46 Debt Service	17,082	20,000	133,439	0	0	0	0	0
47 Two Percent Reserve		1,419,837	673,085	944,031	0	0	0	0
48								
49 Subtotal	665,809	1,439,837	3,405,618	1,532,531	0	0	0	0
50								
51 Total Expenditures	71,206,767	76,634,444	81,912,207	78,661,930	77,642,867	80,832,401	84,172,515	87,670,588
52 Employee Turnover Savings		(800,000)	(800,000)	(800,000)	(200,000)	(200,000)	(200,000)	(200,000)
53								
54 Net Expenditures	71,206,767	75,834,444	81,112,207	77,861,930	77,442,867	80,632,401	83,972,515	87,470,588
55								
56 Net Difference	433,886	(1,090,919)	(2,018,969)	61	2,192,182	1,677,449	1,112,281	493,236
57								
58 Ending Fund Balance	5,494,679	2,893,016	3,475,710	3,475,771	5,667,953	7,345,401	8,457,683	8,950,918
59								
60 Reserved for encumbrances	2,890,768							
61 Reserved for Operations (3%)	2,057,100	2,129,756	2,256,816	2,204,706	2,216,864	2,308,293	2,404,069	2,504,407
62 Reserve (Deficit)	546,811	763,260	1,218,893	1,271,065	3,451,089	5,037,108	6,053,613	6,446,511
63								
64 Total Reserves	\$ 5,494,679	\$ 2,893,016	\$ 3,475,710	\$ 3,475,771	\$ 5,667,953	\$ 7,345,401	\$ 8,457,683	\$ 8,950,918

ANNUAL BUDGET

CITY OF NORMAN

**NET REVENUE STABILIZATION FUND
BUDGET
HIGHLIGHTS**

Background

In fiscal year 2011, Council directed staff to prepare a formal policy in Ordinance form codifying the City's reserve policies and complying with Governmental Accounting Standards Board Statement # 54. Direction was given to establish a separate "Rainy Day Fund" which could not be used except in unusual circumstances. The Ordinance (O-1011-58 effective July 28, 2011) established a Net Revenue Stabilization, or "Rainy Day Fund", which would have minimum fund balance of three percent (3%) of annual budgeted General Fund expenses, a target fund balance of four and a half percent (4.5%) of General Fund expenses and a maximum fund balance of six percent (6%) of annual General fund expenses. The Ordinance also requires a minimum General Fund Operating Reserve fund balance of three percent (3%) of General Fund expenses and would require that the two percent (2%) Emergency Reserve allocation be included in future year budgets. Under the Ordinance, Net Revenue Stabilization Fund balance could only be appropriated for expenditure by the City Council if at least one of three circumstances is met:

- 1.) The General Fund Operating Reserve fund balance is projected to fall below one percent (1%) of budgeted expenditures.
- 2.) A natural or man-made disaster has occurred; and the City of Norman has spent or obligated to spend the two percent Emergency Reserve account in the General Fund
- 3.) A major one-time or capital expenditure has been necessitated, such as for major repairs to or replacement of City of Norman facilities.

FYE 17 Budget

The FYE 17 Budget proposes to transfer \$88,500 into the Net Revenue Reserve Stabilization Fund from the General Fund to maintain the Rainy Day Fund balance at its targeted (4.5%) level.

CITY OF NORMAN

NET REVENUE STABILIZATION FUND (11)
“Rainy Day Fund”
STATEMENT OF REVENUES AND EXPENDITURES

	FYE 15 ACTUAL	FYE 16 BUDGET	FYE 16 ESTIMATED	FYE 17 ADOPTED	FYE 18 PROJECTED	FYE 19 PROJECTED	FYE 20 PROJECTED	FYE 21 PROJECTED
1 Beginning Fund Balance	2,554,595	3,188,735	3,188,734	3,203,734	3,307,234	3,322,234	3,337,234	3,352,234
2	-----	-----	-----	-----	-----	-----	-----	-----
3 Revenues:								
4 Interest Income	14,750	15,000	15,000	15,000	15,000	15,000	15,000	15,000
5	-----	-----	-----	-----	-----	-----	-----	-----
6 Subtotal	14,750	15,000	15,000	15,000	15,000	15,000	15,000	15,000
7	-----	-----	-----	-----	-----	-----	-----	-----
8 I/F Transf - General Fund	326,305	0	0	88,500	0	0	0	0
9 I/F Transf - PSST Fund	292,884	0	0	0	0	0	0	0
10	-----	-----	-----	-----	-----	-----	-----	-----
11 Subtotal	619,189	0	0	88,500	0	0	0	0
12	-----	-----	-----	-----	-----	-----	-----	-----
13 Total Revenue	634,139	15,000	15,000	103,500	15,000	15,000	15,000	15,000
14	-----	-----	-----	-----	-----	-----	-----	-----
15 Expenditures:								
16 Audit Adjustments/Encumbrances	0	0	0	0	0	0	0	0
17 I/F Transf - Capital Fund	0	0	0	0	0	0	0	0
18	-----	-----	-----	-----	-----	-----	-----	-----
19 Total Expenditures	0	0	0	0	0	0	0	0
20	-----	-----	-----	-----	-----	-----	-----	-----
21 Net Expenditures	0	0	0	0	0	0	0	0
22	-----	-----	-----	-----	-----	-----	-----	-----
23 Net Difference	634,139	15,000	15,000	103,500	15,000	15,000	15,000	15,000
24	-----	-----	-----	-----	-----	-----	-----	-----
25 Ending Fund Balance	3,188,734	3,203,735	3,203,734	3,307,234	3,322,234	3,337,234	3,352,234	3,367,234
NOTE: Rainy Day Reserve of 4.5% (deficit)	103,083	9,101	(181,490)	174	(3,062)	(125,205)	(253,870)	(389,377)
NOTE: Rainy Day Reserve of 3% (deficit)	1,131,634	1,073,979	946,918	1,102,528	1,105,370	1,028,941	948,165	862,827

**PUBLIC SAFETY SALES TAX FUND
BUDGET
HIGHLIGHTS**

Background

On May 13, 2008, the citizens of Norman passed a 7-year, one-half percent (1/2%) Public Safety Sales Tax in order to increase the number of police officers and firefighters, and to construct two new fire stations. Ordinance O-0708-32 authorized the City to assess the new sales tax beginning October 1, 2008 and terminating on September 30, 2015.

On April 1, 2014, the citizens approved the permanent extension of the PSST. Over 10-15 years, this extension will enable the City to implement a School Resource Officer program, jointly funded by public school districts in Norman, to improve school safety and improve police-school relationships. The 2014 PSST Ordinance ("PSST II") also directs funding for several critical public safety needs (in priority order):

1. Replacement of City Emergency Communication Systems - \$15,000,000*
2. Emergency Operations Center/Dispatch Facility - \$6,500,000*
3. Fire Apparatus replacement - \$6,800,000*
4. Reconstruct/relocate Fire Station #5 - \$3,500,000*

*Estimated

FYE 17 Budget

Estimated FYE 17 PSST revenues of \$10,519,550 are being projected at a 2% increase over estimated FYE 16 collections.

Two positions will be added during FYE 17 in the Emergency Communications Division in the Police Department, making a total of 79 positions in the PSST Fund that have been added for improved public safety. Thirty of these budgeted positions are in the Fire Department.

In FYE 15, bond proceeds of \$22,825,000 were authorized by the Norman Municipal Authority (NMA) Trustees and Council to finance the Emergency Communications (radio) System, Emergency Operations Center (EOC), and a platform fire truck.

CITY OF NORMAN

PUBLIC SAFETY SALES TAX FUND (15)
STATEMENT OF REVENUES AND EXPENDITURES

	FYE 15 ACTUAL	FYE 16 BUDGET	FYE 16 ESTIMATED	FYE 17 ADOPTED	FYE 18 PROJECTED	FYE 19 PROJECTED	FYE 20 PROJECTED	FYE 21 PROJECTED
1 Beginning Fund Balance	\$ 8,478,229	\$ 28,027,261	\$ 30,203,891	\$ 26,195,903	\$ 3,731,466	\$ 2,394,639	\$ 1,362,305	\$ (1,136,133)
2								
3 Revenues:								
4 Sales Tax - Dedicated Public Safety	9,396,927	9,481,250	9,825,000	10,021,500	10,442,403	10,880,984	11,337,985	11,814,181
5 State Use Tax - Dedicated Public Safety	409,149	386,250	435,000	448,050	461,492	475,337	489,597	504,285
6 Interest Income	36,488	50,000	50,000	50,000	50,000	50,000	50,000	50,000
7								
8 Subtotal	9,842,564	9,917,500	10,310,000	10,519,550	10,953,895	11,406,321	11,877,582	12,368,466
9								
10 Bond Proceeds	22,825,000	0	0	0	0	0	0	0
11 I/F Transfer - General Fund	0	0	0	0	0	0	0	0
12 I/F Transfer - Capital Fund	0	0	0	0	0	0	0	0
13 SRO Reimbursement - NPS	0	0	0	426,837	448,179	470,588	494,117	518,823
14								
15 Subtotal	22,825,000	0	0	426,837	448,179	470,588	494,117	518,823
16								
17 Total Revenue	32,667,564	9,917,500	10,310,000	10,946,387	11,402,074	11,876,909	12,371,700	12,887,289
18								
19 Expenditures:								
20 Salary / Benefits	6,652,061	7,247,573	7,247,573	7,933,800	8,066,982	8,613,717	9,044,402	9,496,622
21 Supplies/Materials	188,985	381,144	396,077	268,262	281,675	295,759	310,547	326,074
22 Services/Maintenance	309,319	273,993	354,508	255,555	268,333	281,750	295,838	310,630
23 Internal Service	165,915	145,780	145,780	149,566	157,044	164,896	173,141	181,798
24 Capital Equipment	1,968,034	257,112	3,408,758	790,550	1,110,493	770,493	1,499,493	1,499,493
25 Capital Projects	0	0	0	1,340,000	508,000	430,000	1,189,000	385,000
26 Bond Project '16 Issue	0	2,259,675	2,267,447	20,339,253	0	0	0	0
27 Bond Issue Costs	0	0	0	0	0	0	0	0
28 Debt Service	226,406	497,845	497,845	2,333,838	2,346,374	2,352,628	2,357,717	2,361,641
29								
30 Subtotal	9,510,720	11,063,122	14,317,988	33,410,824	12,738,901	12,909,243	14,870,138	14,561,258
31								
32 Audit Adjustments/Encumbrances	(18,882)	0	0	0	0	0	0	0
33 I/F Transf - Capital Fund	800,000	0	0	0	0	0	0	0
34 I/F Transf - General Fund	357,180	0	0	0	0	0	0	0
35 I/F Transf - Rainy Day Fund	292,884	0	0	0	0	0	0	0
36								
37 Subtotal	1,431,182	0	0	0	0	0	0	0
38								
39 Total Expenditures	10,941,902	11,063,122	14,317,988	33,410,824	12,738,901	12,909,243	14,870,138	14,561,258
40								
41 Net Expenditures	10,941,902	11,063,122	14,317,988	33,410,824	12,738,901	12,909,243	14,870,138	14,561,258
42								
43 Net Difference	21,725,662	(1,145,622)	(4,007,988)	(22,464,437)	(1,336,827)	(1,032,334)	(2,498,438)	(1,673,969)
44								
45 Ending Fund Balance	\$ 30,203,891	\$ 26,881,639	\$ 26,195,903	\$ 3,731,466	\$ 2,394,639	\$ 1,362,305	\$ (1,136,133)	\$ (2,810,102)
46								
47 Reserves:								
48 Reserved for encumbrances	\$ 2,140,396	0	0	0	0	0	0	0
49 Reserve for Bond Proceeds - 16 Issue	22,598,594	0	20,331,147	(8,106)	0	0	0	0
50 Reserved for PSST activities	5,464,901	0	5,864,756	3,739,572	2,394,639	1,362,305	(1,136,133)	(2,810,102)
51								
52 Total Reserves	\$ 30,203,891	0	\$ 26,195,903	\$ 3,731,466	\$ 2,394,639	\$ 1,362,305	\$ (1,136,133)	\$ (2,810,102)

ANNUAL BUDGET

**COMMUNITY DEVELOPMENT FUND
BUDGET
HIGHLIGHTS**

Background

The Community Development Fund is a Special Revenue Fund established to account for the resources allocated to Community Development Block Grant (CDBG), the HOME Partnership Program, and other funds from the U.S. Department of Housing & Urban Development (HUD).

The Community Development Block Grant Program was established by Congress in the Community Development Act of 1974 to consolidate a number of Federal assistance programs into one "block grant" for the utilization of individual communities in solving community development problems. Funds are allocated annually on a formula basis to the City of Norman by the Department of Housing and Urban Development, the funding agency. As an entitlement city, Norman receives a funding allocation each year without having to compete against other cities. Once allocated, the funds remain available to the City until approved activities are completed. In 1995, Norman became an entitlement city for the HOME Program as well, and therefore does not have to compete against other cities for funding.

The projects funded by the CDBG Program must meet the criteria of activities, which either primarily benefit low-to-moderate income persons, or prevent or eliminate slums or blight. The four major categories of eligible activities are: (1) neighborhood upgrading, conservation, and renewal; (2) housing assistance; (3) social and economic development for moderate and low income groups; and (4) activities in support of the other categories, including administration and planning. HOME projects are all housing with all beneficiaries in the low-to-moderate income range, as defined by federal regulations.

A total of \$44,278,516 in CDBG-HOME Program Funds (CDBG - \$34,176,610 and HOME - \$10,101,906) has been allocated to the City of Norman since FYE 76 through FYE 16. The FYE 17 Budget includes a grant of \$756,303 plus the balance of funds not yet utilized from previous allocations. Also, included are HOME Grants totaling \$316,375.

FYE 17 Budget

Expenditures are accounted for based upon program and grant year. Any remaining FYE 15 and FYE 16 funds are expected to be expended in FYE 17. Total revenues are projected at \$1,771,678 and total expenditures are projected at \$1,771,678. The CDBG-DR Grant accepted in FYE 16 totals over \$21,000,000 and will be used by the City of Norman, Cleveland County, and surrounding municipalities to repair and replace roads and bridges damaged in wildfires and tornadoes in recent years.

CITY OF NORMAN

COMMUNITY DEVELOPMENT FUND (21)
STATEMENT OF REVENUES AND EXPENDITURES

	FYE 15 ACTUAL	FYE 16 BUDGETED	FYE 16 ESTIMATED	FYE 17 ADOPTED
1 Beginning Fund Balance	\$ 347,796	\$ 897,796	\$ 1,002,344	\$ 997,007
2				
3 Revenues				
4 Other Revenues	0	0	0	0
5 Grant Revenue	731,709	744,311	1,593,869	756,303
6 Home Grant Revenue	155,225	296,211	703,422	316,375
7 Emergency Shelter	0	0	0	0
8 CDBG-DR	555,300	10,992,600	15,933,050	699,000
9 COC Planning Grant	10,000	0	0	0
10 I/F Transf - Capital	731,712	0	15,933,050	0
11				
12 Total Revenue	2,183,946	12,033,122	34,163,391	1,771,678
13				
14 Expenditures				
15 Community Development 07	17,131	0	0	0
16 Community Development 08	1,275	0	46,907	0
17 Community Development 09	9,670	0	56,672	0
18 Community Development 10	12,018	0	6,829	0
19 Community Development 11	17,607	0	44,991	0
20 Community Development 12	0	0	13,318	0
21 CDBGHousing 12	5,878	0	0	0
22 Community Development 13	12,156	0	46,516	0
23 CDBGHousing 13	155,010	0	0	0
24 Community Development 14	7,298	0	41,585	0
25 CDBGHousing 14	134,975	0	221,436	0
26 Community Development 15	151,717	0	168,613	0
27 CDBGHousing 15	175,463	0	202,691	0
28 Community Development 16	0	259,093	259,093	0
29 CDBGHousing 16	0	485,218	485,218	0
30 Community Development 17	0	0	0	254,107
31 CDBGHousing 17	0	0	0	502,196
35 FY12 Home Grant	107,799	0	30,981	0
36 FY13 Home Grant	22,491	0	83,099	0
37 FY14 Home Grant	24,936	0	293,131	0
38 FY15 Home Grant	0	296,211	297,211	0
39 FY16 Home Grant	0	0	0	316,375
41 Accruals/Adjustments	108,674	0	0	0
42 COC Planning Grant	10,000	0	4,337	0
43 CDBG-DR	555,300	10,992,600	15,933,050	699,000
44				
45 Subtotal	1,529,398	12,033,122	18,235,678	1,771,678
46 I/F Transf - Capital		0	15,933,050	0
47				
48 Total Expenditures	1,529,398	12,033,122	34,168,728	1,771,678
49				
50 Net Difference	654,548	0	(5,337)	0
51				
52 Ending Fund Balance	1,002,344	897,796	997,007	997,007
53				
54 Reserves:				
55 Reserve for Contingency	1,002,344	897,796	997,007	997,007
56 Reserve for Affordable Housing	0	0	0	0
57				
58 Total Reserves	\$1,002,344	\$897,796	\$997,007	\$997,007

ANNUAL BUDGET

**SPECIAL GRANTS FUND
BUDGET
HIGHLIGHTS**

Background

The Special Grants Fund (a special revenue fund) is used to account for the proceeds of governmental grants or specific revenue sources (other than grants applicable to enterprise fund activities, or major capital projects) that are legally restricted to expenditure for specified purposes. There are two approved grants (at the time of budgeting) in FYE 17 for which the City qualifies.

DUI Enforcement	\$62,835
State Highway 9 multi-modal Path	\$700,000

DUI Enforcement

This program provides for additional officers on selected weekends, holidays, and other special events for enforcement against drinking drivers. The program is completely funded by fines paid by arrested and convicted drunk drivers. A fee from each offending person is collected by the District Court and one-half of the court cost is remitted to the City. The funds are used to pay overtime for enforcement and court time of the officers. FYE 17 expenditures are anticipated to be \$62,835.

State Highway 9 Multi-Modal Path

This project provides the second segment of the State Highway 9 Multi-Modal path, between 48th Avenue SE and 60th Avenue SE.

Other Grants

During the course of the fiscal year, the City will continue to pursue appropriate grant opportunities. While it is anticipated that some additional grant funds will become available, and any applicable grants would be accounted for in the Special Grants Fund, the uncertain nature and amounts of the grants do not allow for them to be budgeted.

CITY OF NORMAN

SPECIAL GRANTS FUND (22)
STATEMENT OF REVENUES AND EXPENDITURES

	FYE 15 ACTUAL	FYE 16 BUDGET	FYE 16 ESTIMATED	FYE 17 ADOPTED
1 Beginning Fund Balance	1,370,031	1,214,913	2,758,684	2,758,684
2				
3 Revenues				
4 Okla. Highway Grant-DRE Training	39,626	0	113,532	0
5 County Court DUI Fines	57,803	63,982	65,218	62,835
8 SHPO/CLG Grant	14,469	0	17,000	0
9 FEMA Saferoom Grant	49,522	0	187,825	0
12 Emergency Management Planning Grant	26,182	0	25,360	0
13 Bullet Proof Vest Grant	0	0	214	0
14 Misc. Police Grants	16,572	0	6,445	0
15 Homeland Security	31,421	0	5,416	0
16 Legacy Trail Improvements	0	0	600,000	0
17 Traffic & Alcohol Enforcement	109,999	0	121,507	0
22 Jag Grant	15,315	0	17,286	0
26 FEMA Reimbursements	6,806	0	0	0
27 ACOG Traffic Data Grant	10,000	0	619,475	0
30 ACOG Fleet Conversion	0	0	91,154	0
32 Safe Routes to School	12,950	0	0	0
36 OK Recreation Trail Fund	16,209	0	0	0
37 Saferoom Grant	332,175	0	0	0
38 School Zone Improvements Grant	0	0	190,000	0
40 Shelter Rebate Federal	0	0	972,411	0
41 Main Street DT Improvements Grant	0	0	600,000	0
42 I/F Transf - Capital	1,019,975	1,019,975	1,719,975	0
43 I/F Transf - GF	91,154	0	0	0
44 Other Revenue/audit accruals	11,939	0	0	0
45 State HWY 9 Multi-Modal Path	0	0	600,000	700,000
46				
47 Subtotal	1,862,117	1,083,957	5,952,818	762,835
48				
49 Total Revenue	1,862,117	1,083,957	5,952,818	762,835
50				
51 Expenditures				
52 DUI Enforcement	10,787	63,982	65,218	62,835
53 Okla. Highway Grant-DRE Training	39,353	0	113,532	0
56 SHPO/CLG Grant	14,469	0	17,000	0
57 FEMA Saferoom Grant	49,522	0	187,825	0
58 Bullet Proof Vest Grant	0	0	214	0
59 Misc. Police Grants	16,572	0	6,445	0
60 Homeland Security	0	0	5,416	0
61 Traffic & Alcohol Enforcement	93,109	0	121,507	0
63 Audit Adj/Encumbrances	(306,984)	0	0	0
64 Legacy Trail Improvements	0	0	600,000	0
71 Jag Grant	15,835	0	17,286	0
74 Intelligence Analysis	28,764	0	0	0
75 Firefighter Assistance	6,806	0	0	0
77 Traffic Control	0	0	619,475	0
82 ACOG Fleet Conversion	19,940	0	91,154	0
84 Emergency Management Grant	26,278	0	25,360	0
87 Saxon Park Improvements	79,967	0	0	0
89 Saferoom Grant	332,175	0	0	0
90 Shelter Rebate Federal	0	0	972,411	0
91 School Zone Improvements Grant	0	0	190,000	0
92 Main Street DT Improvements Grant	0	0	600,000	0
93 State HWY 9 Multi-Modal Path	0	0	600,000	700,000
94				
95 Subtotal	426,593	63,982	4,232,843	762,835
98 I/F Transf - Capital	46,871	1,019,975	1,719,975	0
99				
100 Total Expenditures	473,464	1,083,957	5,952,818	762,835
101				
102 Net Difference	1,388,653	0	0	0
103				
104 Ending Fund Balance	2,758,684	1,214,913	2,758,684	2,758,684
105				
106 Reserved for County DUI Program	367,659	286,846	367,659	286,846
107 Unreserved	2,391,025	928,067	2,391,025	2,471,838
108				
109 Total Reserves	2,758,684	1,214,913	2,758,684	2,758,684

ANNUAL BUDGET

**ROOM TAX FUND
BUDGET
HIGHLIGHTS**

Background

The Room Tax Fund is a Special Revenue Fund established to account for a tax on the gross revenues of hotel and motel establishments. According to Ordinance Number O-7980-58, which was passed in May 1980, the revenues are to be set aside and "used exclusively for the purpose of encouraging, promoting and fostering the convention and tourism development of the City of Norman. Uses in parks development and in promotion of arts and humanities are thus contemplated." On April 2, 2013, citizens approved a 1% increase to the room tax rate from 4% to a total of 5%.

A formula was devised for the distribution of the revenue as follows:

Administration Fee (City of Norman):	5%
Parks Development (City of Norman):	25% of Balance
Arts & Humanities (Norman Arts Council):	25% of Balance
Convention & Tourism (Norman Convention & Visitors Bureau):	50% of Balance

The City has authorized agreements between the Norman Arts Council, the Norman Convention and Visitors Bureau, and the City of Norman for the purpose of administering the proceeds of the distribution formula. Among the programs funded by the Room Tax are convention promotion activities, which have attracted major new hotels to the City; improvements to Norman's six community parks; public artwork; and annual festivals including: Jazz in June, Chocolate Festival, Medieval Fair, and the Norman Music Festival (live alternative rock, Latin, hip-hop, spoken word and other genre). Norman, the "City of Festivals", is widely recognized for its cultural activities, which are underwritten by the Room Tax.

Special Revenue Fund Financial Policies

Net income and reserve policies do not apply to Special Revenue Funds since revenues have been specifically identified and segregated to be used for special and specific purposes. The amount expended is directly dependent on the amount of revenue raised. Usually expenditures are made on a project basis rather than on a continuing operational basis, negating the need for operating reserves.

FYE 17 Budget

Revenues from the 5% tax are projected to be \$1,982,750, a 3% increase from estimated collections for FYE 16 and an 8.4% increase from FYE 16 budgeted collections. In FYE 15, Council directed the administrative cost increase from 3% to 5%.

CITY OF NORMAN

Expenditures in FYE 17 are based upon a pro rata share of the estimated revenue, as summarized below:

	FYE 2017
Revenue	\$1,984,250
Administrative Fee - 5%	\$ 99,213
Arts & Humanities - 25%	470,000
Parks Development - 25%	382,922
Convention & Tourism - 50%	<u>940,000</u>
	\$1,892,135

\$305,000 in Parks projects are scheduled in FYE 17, spending funds accumulated in previous years.

Five Year Outlook

Over the next five years, projected operating revenue of \$10,534,189 will be available through this program to support convention, tourism, arts and humanities and parks development in the City of Norman.

CITY OF NORMAN

ROOM TAX FUND (23)
STATEMENT OF REVENUE AND EXPENDITURES

	FYE 15 ACTUAL	FYE 16 BUDGET	FYE 16 ESTIMATED	FYE 17 ADOPTED	FYE 18 PROJECTED	FYE 19 PROJECTED	FYE 20 PROJECTED	FYE 21 PROJECTED
1 Beginning Fund Balance	505,305	236,847	468,211	444,422	536,537	805,145	1,142,661	1,548,494
2								
3 Revenues								
4 Taxes	1,785,788	1,828,250	1,925,000	1,982,750	2,042,233	2,103,499	2,166,604	2,231,603
5 Interest/Investment Income	2,096	1,500	1,500	1,500	1,500	1,500	1,500	1,500
6 I/F Transf - Capital Fund	0	0	70,000	0	0	0	0	0
7								
8 Total Operating Revenues	1,787,884	1,829,750	1,996,500	1,984,250	2,043,733	2,104,999	2,168,104	2,233,103
9								
10 Expenditures								
11 Administration	89,607	91,488	83,135	99,213	102,187	105,250	108,405	111,655
12 Arts & Humanities	427,000	450,000	460,000	470,000	485,386	499,937	514,925	530,362
13 Parks Capital Projects	164,265	212,500	396,734	305,000	150,000	75,000	0	0
14 Conventions/Visitor Bureau	940,965	869,131	876,666	940,000	970,773	999,875	1,029,850	1,060,724
15 I/F Transf - Westwood	207,414	203,754	203,754	77,922	66,779	87,421	109,091	131,888
16 I/F Transf - General Fund	0	0	0	0	0	0	0	0
17 Carryover Encumbrances/Audit Adj.	(4,273)	0	0	0	0	0	0	0
18								
19 Total Expenditures	1,824,978	1,826,873	2,020,289	1,892,135	1,775,125	1,767,483	1,762,271	1,834,629
20								
21								
22 Net Difference	(37,094)	2,877	(23,789)	92,115	268,608	337,516	408,833	398,474
23								
24 Ending Fund Balance	468,211	239,724	444,422	536,537	805,145	1,142,661	1,548,494	1,946,968
25								
26 Reserves:								
27 Reserved for Administration	(8,353)	0	0	0	0	0	0	0
28 Reserved for Arts & Humanities	81,022	63,881	97,275	98,535	98,535	98,535	98,535	98,535
29 Reserved for Parks & Rec.	278,358	69,608	154,123	242,461	511,068	848,584	1,254,418	1,652,892
30 Reserved for Conv. & Tourism	117,184	106,235	193,024	195,542	195,542	195,541	195,541	195,541
31								
32 Total Reserves	468,211	239,724	444,422	536,537	805,145	1,142,661	1,548,494	1,946,968

CITY OF NORMAN

**NORMAN ARTS COUNCIL
FISCAL YEAR ENDING 2017 BUDGET**

INCOME:

Norman Arts Council Share of City Room Tax Funds	\$470,000
TOTAL INCOME	\$470,000

EXPENSES:Organizational Grants:

Academia Filarmonica Season	4,500
Assistance League of Norman – Mayfair Children's Art Yard	1,800
Medieval Fair 2017	9,000
Downtown Norman Fall Fest 2016	8,000
Norman Ballet (Oklahoma Nutcracker)	11,884
Norman Children's Chorus, Winter and Spring Concerts	9,600
Norman Children's Chorus, Spring Sing	3,500
Norman Cultural Connection, Sacred Arts of Tibet	6,100
Norman Music Alliance, Norman Music Festival 2017	18,000
Norman Philharmonic Season	18,000
OU Fred Jones Jr. Museum of Art Picturing Indian Territory	9,000
OU Foundation, National Weather Center Biennial 2017	9,000
OU Musical Theatre/Opera Guild	5,450
OU Neustadt Festival	8,000
Pioneer Library System, Big Read 2017	12,950
Pioneer Library System, Jazz at Norman West Library	1,800
Pioneer Library, Black History Month	3,250
Subtotal	\$139,834

Operational Support:

Cimarron Opera	20,000
Cleveland County Historical Society	4,500
Firehouse Art Center	20,000
Jazz in June	20,000
Performing Arts Center (The Depot)	19,778
Public Arts Board	10,000
Sooner Theatre	20,000
Subtotal	\$114,278

Norman Arts Council Hotel/Motel Administration:	82,706
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Norman Arts Council Programs:	95,582
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Norman Arts Council Marketing:	37,600
Subtotal	\$215,888

TOTAL EXPENSES	\$470,000
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CITY OF NORMAN

**NORMAN CONVENTION & VISITORS BUREAU
FISCAL YEAR ENDING 2017 BUDGET**

INCOME:

Convention & Visitors Bureau Share of City Room Tax Fund	\$ 940,000
Advertising Income	27,000
Interest Income	1,500
Special Events	7,000
Souvenirs	1,000
TOTAL INCOME:	\$ 976,500

EXPENSES:

Advertising / Marketing	\$ 427,439
Research and Community Branding	26,250
Operations	131,860
Personnel:	366,256
Executive Director	
Communications Manager	
Sales Manager	
Sales Manager	
Visitor Services Specialist	
Interns	
Special Events	7,500
Membership/Affiliations	15,395
Legislative/Governmental Affairs	1,800
TOTAL EXPENSES	\$ 976,500

**SEIZURES AND RESTITUTION FUND
BUDGET
HIGHLIGHTS**

Background

The Seizures and Restitution Fund is a Special Revenue Fund used to account for the revenue available through property seizures resulting from criminal investigations.

There are three basic sources of revenue available, two of which are controlled by the Cleveland County District Attorney and one controlled by the U.S. Federal Government.

Property that is seized by local enforcement officers is ultimately disposed of by court rulings. The property, including cash, is remanded to the District Attorney if the case does not involve federal laws. The District Attorney disposes of the non-cash property through an auction and deposits the proceeds into a revolving account. Periodically, distributions are made from the revolving account to municipalities.

The Courts also require restitution by defendants to law enforcement agencies for costs associated with an investigation. The restitution is made directly to the City and placed into this Fund.

The Courts remand property and cash seized through Federal cases to the Federal Government. If local law enforcement officers were involved in the case, they may make application to the Federal Government to recover property to offset the cost of their investigation.

State and Federal statutes provide that monies derived from these sources will be used to support drug enforcement activities and other criminal investigations.

FYE 17 Budget

Expenditures for operations and equipment are projected at \$298,237 on revenues of \$103,751. This fund accounts for a portion of an Assistant City Attorney's compensation for time spent on Juvenile Services.

Available revenues (\$194,486) from fund balance are projected to be drawn-down for capital needs to be used in enforcement activities. No capital equipment needs are projected for FYE 17 – FYE 21.

CITY OF NORMAN

SEIZURES AND RESTITUTION FUND (25)
STATEMENT OF REVENUES AND EXPENDITURES

	FYE 15 ACTUAL	FYE 16 BUDGET	FYE 16 ESTIMATED	FYE 17 ADOPTED	FYE 18 PROJECTED	FYE 19 PROJECTED	FYE 20 PROJECTED	FYE 21 PROJECTED
1 Restatement								
2 Beginning Fund Balance	832,068	519,361	803,405	625,175	430,689	445,886	461,080	476,271
3								
4 Revenues								
5 Federal Seizures & Restitutions	97,178	6,000	6,000	6,000	6,000	6,000	6,000	6,000
6 State Seizures & Restitutions	150,038	9,000	9,000	9,000	9,000	9,000	9,000	9,000
7 Court Fines Juvenile	36,289	77,000	77,000	88,251	77,000	77,000	77,000	77,000
8 Interest/Investment Income	4,478	500	500	500	500	500	500	500
9								
10 Total Revenues	287,983	92,500	92,500	103,751	92,500	92,500	92,500	92,500
11								
12 Expenditures								
13 Audit Adjustments	(3,534)	0	0	0	0	0	0	0
14 Services/Maintenance Federal	507	300	300	300	303	306	309	312
15 Services/Maintenance State	217,234	115,060	185,352	209,686	0	0	0	0
16 I/F Transfer - General Fund	0	0	0	0	0	0	0	0
17 Capital Equipment- State	35,436	0	0	0	0	0	0	0
18 Capital Equipment- Federal	0	0	0	0	0	0	0	0
19 Juvenile Program	67,003	85,078	85,078	88,251	77,000	77,000	77,000	77,000
20								
21 Total Expenditures	316,646	200,438	270,730	298,237	77,303	77,306	77,309	77,312
22								
23 Net Difference	(28,663)	(107,938)	(178,230)	(194,486)	15,197	15,194	15,191	15,188
24								
25 Ending Fund Balance	803,405	411,423	625,175	430,689	445,886	461,080	476,271	491,459
26								
27 Reserves								
28 Reserve for Federal Seizures	339,581	254,610	345,281	350,981	356,678	362,372	368,063	373,751
29 Reserve for State Seizures	479,403	171,965	303,551	103,365	112,865	122,365	131,865	141,365
30 Reserve for Juvenile Funds	(15,579)	(15,152)	(23,657)	(23,657)	(23,657)	(23,657)	(23,657)	(23,657)
31								
32 Total Reserves	803,405	411,423	625,175	430,689	445,886	461,080	476,271	491,459

**CLEET FUND
BUDGET
HIGHLIGHTS**

Background

The Council on Law Enforcement Education and Training (CLEET) Fund is a Special Revenue Fund established to account for revenue derived by provision of State law, to be utilized for law enforcement education and training (Title 20 § 1313.2-1313.4).

State law provides that any person convicted of an offense punishable by a fine of \$10 or more, or by incarceration, excluding parking and standing violations, or any person forfeiting bond when charged with such an offense, shall be ordered by the court to pay \$9, as a separate penalty assessment.

As an “academy city”, the City of Norman has the authority to retain \$2 of the \$9 penalty assessment collected for police, court and prosecution training. All remaining funds collected are forwarded to CLEET. The City is authorized to keep a 2% administrative fee on the amount collected, which is deducted from the \$2 portion retained by the City

State law also requires that municipalities collect a Fingerprinting Fee in the amount of \$5, which is to be collected and reported to the Oklahoma State Bureau of Investigation (OSBI). The moneys collected from the fingerprinting fee pays for the Automated Fingerprint Identification System (AFIS) managed by the OSBI. An administrative fee of \$.08 on each \$5.00 assessment is retained by the City

State law also provides for the collection of the Forensic Science Improvement Assessment in the amount of \$5, which is to be collected at the same time and in the same manner as set forth in paragraph two above. Moneys from this fee are for the OSBI and will be used to upgrade laboratory facilities, equipment and personnel. Municipal courts are authorized to retain 5% of the amount collected as an administrative fee.

In May 2008, a state law became effective which provides for a fee assessment of \$5 on marijuana convictions followed in July 2009 by a state law providing for the same assessment on paraphernalia convictions, to be collected and reported to the Bureau of Narcotics (BON) Drug Education Revolving Fund. These fees are to be collected at the same time and in the same manner as set forth in paragraph two above. Moneys from these fees are to be used for purposes relating to drug education and information in the State of Oklahoma. No administrative fee is provided.

In summary, a total of \$19 is collected on each traffic and non-traffic conviction or forfeiture (except possession of marijuana or paraphernalia which are \$24), and deposited into a special revenue account created for that purpose. The assessments are in addition to and not in substitution for other fines and penalties provided by law. The money retained by the City, is divided between administrative fees, police training, and court/prosecution training. The City is authorized to retain all interest accrued prior to the due date for deposits. The remainder of money collected is forwarded monthly by the Court Clerk to CLEET, OSBI, and the BON.

CITY OF NORMAN

FYE 17 Budget

FYE 17 projected revenues are \$32,000 with projected expenditures at \$30,505. This leaves a projected ending fund balance of \$22,551.

CITY OF NORMAN

CLEET FUND (26)
STATEMENT OF REVENUES AND EXPENDITURES

	FYE 15 ACTUAL	FYE 16 BUDGET	FYE 16 ESTIMATED	FYE 17 ADOPTED	FYE 18 PROJECTED	FYE 19 PROJECTED	FYE 20 PROJECTED	FYE 21 PROJECTED
1 Beginning Fund Balance	29,515	23,699	21,261	21,056	22,551	24,046	25,541	27,036
2								
3 Revenues								
4 CLEET for Police Training	24,335	30,000	30,000	30,000	30,000	30,000	30,000	30,000
5 CLEET for Court Training	1,832	2,000	2,000	2,000	2,000	2,000	2,000	2,000
6 Misc revenue	98	0	0	0	0	0	0	0
7								
8 Total Revenues	26,265	32,000	32,000	32,000	32,000	32,000	32,000	32,000
9								
10 Expenditures								
11 Police Training	33,638	29,205	30,505	29,005	29,005	29,005	29,005	29,005
12 Court Training	900	1,500	1,700	1,500	1,500	1,500	1,500	1,500
13 Audit adjustments	(19)	0	0	0	0	0	0	0
14								
15 Total Expenditures	34,519	30,705	32,205	30,505	30,505	30,505	30,505	30,505
16								
17 Net Difference	(8,254)	1,295	(205)	1,495	1,495	1,495	1,495	1,495
18								
19 Ending Fund Balance	21,261	24,994	21,056	22,551	24,046	25,541	27,036	28,531
20								
21 Reserves								
22 Reserve for Police Training	15,944	19,609	15,439	16,434	17,429	18,424	19,419	20,414
23 Reserve for Court Training	5,317	5,385	5,617	6,117	6,617	7,117	7,617	8,117
24								
25 Total Reserves	21,261	24,994	21,056	22,551	24,046	25,541	27,036	28,531

**ART IN PUBLIC PLACES FUND
BUDGET
HIGHLIGHTS**

Background

The Art in Public Places Fund is a Special Revenue Fund established to account for revenue derived from citizen donations as a means to fund the acquisition of works of art by the City of Norman and to provide for the maintenance and repair of the works of art in the collection.

On August 28, 2007, City Council passed Ordinance O-0708-5 that established the Public Arts Board and the Art in Public Places Fund. The ordinance also set up the mechanism by which City of Norman utility service customers can opt to donate money to the Art in Public Places Fund by including an additional amount of money in their payment.

The Public Arts Board reports to the Norman Arts Council, who will be charged with expending monies in the Art in Public Places Fund.

FYE 17 Budget

FYE 17 projected revenues are \$16,000. The Artist Designed Bicycle Racks project, to encourage the use of bicycles for transportation in the downtown area, is a recent project supported by donations to the Art in Public Places Fund (see pictures below). The fund has collected \$86,126 in contributions since the beginning of FYE 08.



CITY OF NORMAN

ART IN PUBLIC PLACES FUND (28)
STATEMENT OF REVENUES AND EXPENDITURES

	FYE 15 ACTUAL	FYE 16 BUDGET	FYE 16 ESTIMATED	FYE 17 ADOPTED	FYE 18 PROJECTED	FYE 19 PROJECTED	FYE 20 PROJECTED	FYE 21 PROJECTED
1 Beginning Fund Balance	1,169	1,169	4	0	0	0	0	0
2								
3 Revenues								
4 Citizen Donations	11,258	16,000	17,573	16,000	16,000	16,000	16,000	16,000
5 Interest income	0	0	0	0	0	0	0	0
6								
7 Total Revenues	11,258	16,000	17,573	16,000	16,000	16,000	16,000	16,000
8								
9 Expenditures								
10 Audit adjustments/encumb.	0							
11 Payment to Arts Board	12,423	16,000	17,577	16,000	16,000	16,000	16,000	16,000
12								
13 Total Expenditures	12,423	16,000	17,577	16,000	16,000	16,000	16,000	16,000
14								
15 Net Difference	(1,165)	0	(4)	0	0	0	0	0
16								
17 Ending Fund Balance	4	1,169	0	0	0	0	0	0

**WESTWOOD PARK FUND
BUDGET
HIGHLIGHTS**

Background

Prior to FYE 10, Westwood Park Fund was an Enterprise Fund established to account for the resources used to operate an 18-hole municipal golf course and swimming pool. Beginning in FYE 10, the Westwood Park Fund was classified as a Special Revenue Fund instead of an Enterprise Fund due to a change in City course of action regarding Westwood golf and pool operations.

The Norman Municipal Authority (NMA) was created in 1965 for the purpose of issuing revenue bonds for the construction of the 18-hole municipal golf course and swimming pool. The original bonds were retired as of July 1, 1993. A bond issue of \$2,315,000 was issued in May 2002 to fund renovations to the golf course approved by Council NMA in the Westwood Master Plan. Revenue from the Park Capital Improvement portion of the Room Tax was pledged to secure the bonded debt, and these revenues are transferred to the Westwood Fund to pay annual debt service.

A five-year financial forecast is found in this section. The purpose of a five-year forecast is to project existing conditions into the future, given certain assumptions, in order to determine future financial viability, to identify financial strengths and weaknesses, and to provide a base for remedial or supportive financial policy

FYE 17 Budget

Statement of Revenues and Expenditures

Projected FYE 17 fee revenues have been increased 2% from the FYE 16 budget. Revenues for Westwood Swimming Pool have been estimated based on actual year-to-date receipts in FYE 16. Revenues for Westwood Golf Course are estimated based on actual current experience in green fees.

FYE 17 operating expenditures have been decreased -1.1% from the FYE 16 budget. Projections for the swimming pool are based upon line-item analysis. Debt service expenditures continue on the revenue bonds sold in FYE 02. Revenues from the park and recreation portion of the Transient Guest Room Tax (\$77,922 in FYE 17) will be used as a revenue source to the Westwood Fund for the purpose of paying debt service costs. Beginning in FYE 08 the Golf Cart fleet will be replaced on a revolving basis. Council approved the use of Capital Funds to replace the Golf Cart fleet and one piece of equipment for the next five years. All line items have been reviewed on multiple occasions by department staff, Finance Department staff and the City Manager.

During FYE 17, the existing Westwood pool facilities will be demolished and replaced with a new family aquatic center as part of the Norman Forward Sales Tax (see page 105 for more information).

Reserve Policy

Special Revenue Funds have no reserve requirements due to their dependence on General Fund support.

Five Year Outlook

Fees and charges, and service levels will continue to be monitored for adequacy and competitiveness to make needed capital improvements and meet all reserve requirements. Fee levels for use of Westwood Pool and Tennis facilities as well as operating costs will be reviewed when the newly built or refurbished facilities open.

Summary

Significant effort will continue to be made to address the financial viability of this fund, to adequately structure rates to recover cost of service, and to explore other options for funding the ongoing concerns of the Fund. The Council has re-affirmed the priority of maintenance of Westwood Golf Course as an operating amenity for the citizens.

CITY OF NORMAN

WESTWOOD PARK FUND (29)
STATEMENT OF REVENUES AND EXPENDITURES

	FYE 15 ACTUAL	FYE 16 BUDGET	FYE 16 ESTIMATED	FYE 17 ADOPTED	FYE 18 PROJECTED	FYE 19 PROJECTED	FYE 20 PROJECTED	FYE 21 PROJECTED
1 Beginning Fund Balance	27,313	29,768	0	0	0	(0)	(0)	(0)
2								
3 Operating Revenues:								
4 Enterprise Fund Fees/Chgs	1,065,318	1,275,217	1,147,695	1,300,721	1,326,735	1,353,270	1,380,335	1,407,942
5 Service Fees/Chgs	375	232	232	239	246	253	261	269
6								
7 Total Operating Revenues	1,065,693	1,275,449	1,147,927	1,300,960	1,326,981	1,353,523	1,380,596	1,408,211
8								
9 Operating Expenditures:								
10 Salaries and Benefits	775,705	802,540	802,540	836,652	851,326	893,893	938,587	985,517
11 Supplies and Materials	113,926	127,102	126,710	124,925	126,174	127,436	128,710	129,997
12 Services/Maintenance	182,304	219,297	221,026	181,713	183,530	185,365	187,219	189,091
13 Internal Service Fund Chgs	41,380	42,454	42,454	34,668	35,361	36,068	36,789	37,525
14 Cost Allocation Charges	0	0	0	0	0	0	0	0
15 Employee Turnover Savings	0	0	0	0	0	0	0	0
16								
17 Total Operating Expenditures	1,113,315	1,191,393	1,192,730	1,177,958	1,196,391	1,242,762	1,291,305	1,342,130
18								
19 Net Operating Revenue	(47,622)	84,056	144,803	123,002	130,590	110,761	89,291	66,081
20								
21 Other Revenues:								
22 I/F Transf - Capital Fund - Golf	3,420	137,000	137,000	71,000	61,500	61,500	61,500	61,500
23 I/F Transf - Capital Fund - Pool	0	0	0	0	0	0	0	0
24 I/F Transf - Room Tax	207,414	203,754	203,754	77,922	66,779	87,421	109,091	131,888
25 I/F Transf - General Fund	18,499	0	37,703	0	0	0	0	0
26 I/F Transf - Westwood Enterprise Fd	0	0	0	0	0	0	0	0
27 Interest Income	225	7,500	7,500	7,500	7,500	7,500	7,500	7,500
28 Misc. revenue	1,585	0	0	0	0	0	0	0
29								
30 Total Other Revenues	231,143	348,254	385,557	156,422	135,779	156,421	178,091	200,888
31								
32								
33 Other Expenditures:								
34 Audit Accruals/Adj/encumbrances								
35 Debt Service	207,414	203,754	203,754	208,424	204,869	205,682	205,882	205,469
36 Capital Projects-GOLF	0	0	0	0	0	0	0	0
37 Capital Equipment-GOLF	3,420	87,000	87,000	33,000	19,500	19,500	19,500	19,500
38 Capital Projects-POOL	0	0	0	0	0	0	0	0
39 Capital Equipment-POOL	0	0	0	0	0	0	0	0
40 Capital Equipment - Golf Carts	0	50,000	50,000	38,000	42,000	42,000	42,000	42,000
41 Capital Equipment - Pool	0	0	0	0	0	0	0	0
42 I/F Transf - Parkland	0	0	0	0	0	0	0	0
43								
44 Total Other Expenditures	210,834	340,754	340,754	279,424	266,369	267,182	267,382	266,969
45								
46 Net Revenues (Expenditures)	(27,313)	91,556	0	0	(0)	0	(0)	0
47								
48 Ending Fund Balance	0	121,324	0	0	(0)	(0)	(0)	0
49								
50 Reserves								
51 Reserve for Operations	89,065	95,311	95,418	94,237	95,711	99,421	103,304	107,370
52 Reserve for Debt	0	0	0	0	0	0	0	0
53 Reserve for Capital Project	36,900	63,875	63,400	61,500	61,500	61,500	61,500	61,500
54 Reserve (Deficit)	(125,965)	(37,862)	(158,818)	(155,737)	(157,211)	(160,921)	(164,804)	(168,870)
55								
56 Total Reserves	0	121,324	0	0	(0)	(0)	(0)	0

ANNUAL BUDGET

**WATER FUND
BUDGET
HIGHLIGHTS**

Background

The Water Fund is an enterprise fund established to account for the resources utilized to treat and supply water to the customers of the City of Norman. Water is supplied from Lake Thunderbird that is owned by the Central Oklahoma Master Conservancy District (COMCD) and by water wells that are owned by the City. The cities of Del City, Midwest City and Norman created the COMCD for the purpose of creating a water supply. The City annually pays a reclamation charge to the District as the City's share of debt retirement for construction of the lake. The City also pays a pro rata share of the cost to operate the District. There are approximately 593 miles of water mains in the City. The City operates a treatment plant whose capacity for treated water is 17 million gallons per day / peak day and as of March 2016 serves an average of 37,000 customers.

FYE 17 Budget

Statement of Revenues and Expenditures

The Norman Water Utility has a highly progressive residential rate structure, designed to encourage conservation of water resources. Current (as of April 2016) monthly residential water rates are as follows:

\$6.00 Base Fee
\$3.35 per thousand for 0 – 5,000 gallons
\$4.10 per thousand gallons for 5,001 to 15,000 gallons
\$5.20 per thousand gallons for 15,001 to 20,000 gallons
\$6.80 per thousand gallons in excess of 20,001 gallons

On January 13, 2015, Norman residents voted on an increase in the water rates for both residential and commercial customers. Revenue projections are based on historic collection patterns and a simple regression model using average rainfall as a predictor variable. Because of the extremely progressive nature of the Norman "inverted" water rate structure, Water Utility revenues are highly dependent on weather patterns, and can therefore fluctuate significantly.

The Water Utility has undertaken an aggressive capital improvement program to enhance the City's water supply and treatment systems. Based on the projected revenue from the newly-approved rate structure, the Water Utility will move forward in FYE 17 with \$31 million in Treatment Plant improvements to improve drinking water quality; \$11 million in expansion projects to the City's groundwater well supplies; and \$5 million in improvements to waterlines to provide additional water supply (by constructing pipe connections to "blend" water from wells with water quality exceeding standards with water from wells that fall slightly short of standards).

This aggressive water capital project program will be financed through the Statewide Revolving Loan Fund of the Oklahoma Water Resources Board.

This water capital improvement program is the first of several steps to meet Norman's future water supply needs, suggested by the adopted Strategic Water Supply Plan. Future steps will include reuse of wastewater through advanced treatment methods to be employed by the Norman Water Reclamation Utility, to supplement water supplied by Lake Thunderbird (see inside of the back cover).

An emergency water supply is available to Norman through a contract with the Oklahoma City Water Utilities Trust (OCWUT). Under this contract, available treated water is transported to Norman along a waterline located in northern Norman during periods of peak summer water demand. In future years, the Water Utility plans to buy supplemental water from OCWUT year-round.

FYE 2017 expenditure projections are based on line-item analyses within the Water Division. Salary and benefit category expenditures are based on authorized staffing levels. The service and maintenance expenditure category includes increases in operating charges from the COMCD. All line items have been reviewed on multiple occasions by Department staff, Finance Department staff and by the City Manager.

Levelized Rate Policy

Utility rates should be set at a level to meet the average net income requirements over a five-year period without the need for interim adjustments, and to meet all reserve requirements at the end of the five-year period.

Reserve Policy

Enterprise funds by policy, reserve portions of fund balance as follows:

- Operating Reserve equal to 8% of the annual operating cost
- Capital Reserve equal to the annual average of the next 5 year capital expenditure plan

FYE 17 ending fund balance is projected to be \$6,814,313 with a reserve deficit of \$224,507, due primarily to the aggressive capital campaign.

Transfer Policy

The amount of transfer from the Water Fund in support of the General Fund is based on a policy that provides for continuity in both funds. A transfer equal to 5% of Water Fund operating revenues returns to the General Fund an amount consistent with what non-governmental utilities provide in franchise fees.

Five Year Outlook

There are various factors, such as weather, population growth, average individual growth in usage, and changes in the mix of residential and commercial revenues that affect total water utility revenues from year to year. Therefore, a conservative approach was taken in projecting revenues due to the uncertainty of the net effect of these factors. The voters of Norman will be asked to consider increased rate structures to fund the near-term and strategic needs of the Water Utility Enterprise.

Summary

The Norman Utilities Authority and City Council have directed a policy through which Norman's water will be treated to levels which meet not only current environmental standards but which provide for future treatment requirements and that address customer's taste and odor requirements year-round. The Norman Water Utility has begun many strategic actions in this direction based on the newly-approved rate structure.

The City and the Norman Utilities Authority will celebrate a proud event in August 2016, when the remaining debt for the construction of the Lake Thunderbird Dam, spillway, water intake and pumping facilities, will be retired after 42 years of payments. The strategic vision of our citizens and policymakers is being repeated in this year's actions.

CITY OF NORMAN

WATER FUND (31)
STATEMENT OF REVENUES & EXPENDITURES

	FYE 15 ACTUAL	FYE 16 BUDGET	FYE 16 ESTIMATED	FYE 17 ADOPTED	FYE 18 PROJECTED	FYE 19 PROJECTED	FYE 20 PROJECTED	FYE 21 PROJECTED
1 Beginning Fund Balance	22,305,950	2,007,279	23,129,146	1,928,104	6,814,313	9,592,964	7,745,362	6,206,892
2								
3 Operating Revenues:								
4 Enterprise Fund Fees/Chgs	14,446,640	16,330,000	18,500,000	18,962,500	19,436,563	19,922,477	20,420,538	20,931,052
5 Connection Fee	644,125	900,000	400,000	404,000	408,040	412,120	416,241	420,403
6 Capital Improvement Charge	1,393,090	1,313,000	1,313,000	1,326,130	1,339,391	1,352,785	1,366,313	1,379,976
7 Cost Allocation	737,671	764,390	764,390	786,845	794,713	802,660	810,687	818,794
8								
9 Total Operating Revenues	17,241,526	19,307,390	20,977,390	21,479,475	21,978,707	22,490,042	23,013,779	23,550,225
10								
11 Operating Expenditures:								
12 Salaries / Benefits	3,759,849	3,896,750	3,896,750	4,048,616	4,119,069	4,325,023	4,541,274	4,768,337
13 Supplies / Materials	1,415,208	2,533,633	2,776,961	2,456,023	2,480,583	2,505,389	2,530,443	2,555,747
14 Services / Maintenance	2,797,924	3,106,996	3,431,821	3,085,700	3,116,557	3,147,723	3,179,200	3,210,992
15 Internal Services	379,325	289,708	289,708	204,272	208,357	212,525	216,775	221,111
16 Cost Allocations	1,723,076	1,792,321	1,792,321	1,856,055	1,874,616	1,893,362	1,912,295	1,931,418
17 Employee Turnover Savings		(58,451)	(58,451)	(60,729)	(61,786)	(64,875)	(68,119)	(71,525)
18								
19 Total Operating Expenditures	10,075,382	11,560,957	12,129,110	11,389,937	11,737,396	12,019,145	12,311,868	12,616,080
20								
21 Net Operating Revenue	7,166,144	7,746,433	8,848,280	9,889,538	10,241,310	10,470,896	10,701,912	10,934,145
22								
23 Other Revenues:								
24 Interest Income	102,026	120,000	120,000	120,000	120,000	120,000	120,000	120,000
25 Other Misc. Revenue	1,217,146	0	0	0	0	0	0	0
26 I/F Transf - General Fund	0	0	0	0	0	0	0	0
27 Revenue Bond Proceeds	0	0	0	3,200,000	3,647,500	0	0	23,091,570
28 Grant Revenue	0	0	0	0	0	0	0	0
29								
30 Total Other Revenues	1,319,172	120,000	120,000	33,320,000	33,767,500	120,000	120,000	23,211,570
31								
32 Other Expenditures:								
33 Audit Accruals/Adj/Encumbrances	219,788	0	0	0	0	0	0	0
34 Master Conservancy Debt	202,981	268,126	268,126	266,433	72,811	72,174	71,829	71,523
35 Debt Service - 06 Issue	1,221,472	0	0	0	0	0	0	0
36 Debt Service - 10 Issue	806,182	804,396	804,396	806,896	806,896	806,896	806,896	806,896
37 Debt Service - 15 Issue	45,501	1,473,749	1,473,749	1,496,169	1,480,449	1,479,410	1,477,891	1,470,840
38 Debt Service - 17 Issue	0	0	0	2,027,500	2,027,500	2,027,500	2,027,500	2,027,500
39 Debt Service - 18 Issue	0	0	0	0	683,000	683,000	683,000	683,000
40 Debt Service - 21 Issue	0	0	0	0	0	0	0	1,155,000
41 Capital Projects	2,712,312	3,096,000	22,984,062	4,988,000	3,772,500	6,070,000	5,966,000	8,638,000
42 Capital Projects - 15 Issue	1,121,717	0	3,088,939	0	0	0	0	0
43 Capital Projects - 17 Issue	0	0	0	26,157,000	0	0	0	0
44 Capital Projects - 18 Issue	0	0	0	0	10,717,000	0	0	0
45 Capital Projects - 21 Issue	0	0	0	0	0	0	0	22,419,000
46 Bond issue costs	116,240	0	0	1,200,000	397,500	0	0	672,570
47 Capital Equipment	474,794	438,311	605,050	365,126	230,000	230,000	230,000	230,000
48 I/F Transf - General Fund	741,133	861,500	945,000	968,325	992,230	1,016,730	1,041,839	1,067,573
49 I/F Transf - General Fund - Meter Sys	0	0	0	47,880	50,274	52,788	55,427	58,198
50 I/F Transf - Capital Fund	0	0	0	0	0	0	0	0
51								
52 Total Other Expenditures	7,662,120	6,942,082	30,169,322	38,323,329	21,230,160	12,438,498	12,360,382	39,300,100
53								
54 Net Revenues (Expenditures)	823,196	924,351	(21,201,042)	4,886,209	2,778,650	(1,847,602)	(1,538,470)	(5,154,385)
55								
56 Ending Fund Balance	23,129,146	2,931,630	1,928,104	6,814,313	9,592,964	7,745,362	6,206,892	1,052,506
57								
58 Reserves								
59 Reserve for Operations	806,031	924,877	970,329	927,195	938,092	961,532	984,949	1,009,286
60 Reserve for Encumbrances	6,515,772	0	0	0	0	0	0	0
61 Reserve for Bond Projects - 15 Issue	3,088,939	0	0	0	0	0	0	0
62 Reserve for Bond Projects - 21 Issue	0	0	0	0	0	0	0	0
63 Reserve for Capital	8,756,112	5,199,125	5,886,900	6,111,625	6,891,333	7,302,000	8,638,000	8,638,000
64 Reserve (Deficit) Surplus	3,962,292	(3,192,372)	(4,929,125)	(224,507)	1,762,638	(518,170)	(3,416,057)	(8,594,780)
65								
66 Total Reserves	23,129,146	2,931,630	1,928,104	6,814,313	9,592,964	7,745,362	6,206,892	1,052,506

ANNUAL BUDGET

CITY OF NORMAN

**CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT
FISCAL YEAR ENDING 2017 BUDGET**

INCOME:

Operation & Maintenance Assessments	\$ 1,697,097
Special Assessments	525,000
Annual Repayment Installment	<u>516,072</u>
TOTAL INCOME	\$ 2,738,169
(Less energy project interest)	

EXPENSES:

Personnel	\$ 712,372
Maintenance	135,000
Utilities	547,500
Insurance & Bonds	38,350
Administrative Supplies	12,000
Professional Services	463,200
State & Federal Services	151,600
Major Equipment Replacement	162,075
Debt Repayment	<u>516,072</u>
TOTAL EXPENSES	\$2,738,169

WATER RECLAMATION FUND BUDGET HIGHLIGHTS

Background

The Water Reclamation Fund is an enterprise fund established to account for the resources utilized to provide wastewater collection, conveyance and treatment to the customers of the City of Norman.

The City operates a Water Reclamation Facility "WRF" (formerly known as sewage or wastewater treatment) with a design capacity of 12 million gallons per day (MG/D). On November 3, 2001, the Norman Utilities Authority (NUA) adopted an updated Wastewater Master Plan, which proposes to expand system-wide treatment capacity to 21.5 MG/D by the year 2040.

Also in 2001, the voters of Norman approved three revenue sources to partially pay for the improvements recommended by the Wastewater Master Plan:

- A temporary, 5-year, $\frac{1}{2}$ percent sales tax dedicated to sewer system improvements;
- A \$5 per month sewer maintenance rate, dedicated to neighborhood sewer line repairs;
- An excise tax on new development.

Currently, there are approximately 495 miles of sewer lines included in the total system. The Water Reclamation Utility is undertaking an aggressive program to rehabilitate existing neighborhood sewer lines and mains, and to construct new sewer mains in north and east Norman.

A five-year financial forecast is found in this section. The purpose of a five-year forecast is to project existing conditions into the future, given certain assumptions, in order to determine future financial viability, to identify financial strengths and weaknesses and to provide a base for remedial or supportive financial policy action.

Beginning in FYE 15, the sewer line maintenance capital improvements charge revenues and operational expenditures are reported in the Water Reclamation Fund. During FYE 2015 Budget considerations, the Council Finance Committee discussed transferring the sewer line maintenance operations out of the Sewer Line Maintenance Fund into the Water Reclamation Fund in order to better track the collection and distribution of the \$5 per month Sewer Maintenance Rate. This will more accurately reflect the cost of the capital work that is being done with the Sewer Maintenance Rate and will eliminate a transfer of funds between the two funds for the work done by the Sewer Line Maintenance Division during the year. Over time, this change in accounting will better reflect the declining amounts of sewer rehabilitation projects that can be completed, due to inflation of material and labor costs. Additional sewer system capital improvement projects are reported in the Sewer Maintenance Fund, Sewer Excise Tax Fund and Sewer Sales Tax Fund.

A major expansion (from 12 MGD TO 17 MGD) and improvement project is underway at the WRF. The project is scheduled to be completed in early 2017 and will provide treatment capacity for an estimated 12-15 years.

CITY OF NORMAN

FYE 17 Budget

Statement of Revenues and Expenditures

FYE 17 sewer user fee revenues have been estimated based on actual year-to-date receipts in FYE 16. On November 12, 2013 the citizens of Norman voted and approved a basic sewer rate increase for the first time since November 1, 1996 (pursuant to the Norman City Charter, utility rate increases require voter approval). Water reclamation rates, effective since November 12, 2013 are as follows:

Single Family/ Duplex \$5.00 base plus \$2.70 per 1,000 gallons of treated waste water

FYE 17 expenditure projections are based upon line-item analysis within the Utility. Salaries and benefits are based on current authorized staffing levels. All line items have been reviewed on multiple occasions by department staff, Finance Department staff and the City Manager.

Levelized Rate Policy

Utility rates are set at a level to meet the average net income requirements over a five-year period without the need for interim adjustments and to meet all reserve requirements at the end of the five-year period.

Reserve Policy

Enterprise funds have reserve policies to reserve portions of fund balance as follows:

- Operating Reserve equal to 8% of the annual operating cost
- Capital Reserve equal to the annual average of the next 5 year capital expenditure plan

The FYE 17 ending fund balance is projected to be \$4,751,441. This fund balance is used for meeting the Fund's reserve requirements.

Transfer Policy

The amount of transfer from the Water Reclamation Fund in support of the General Fund is based on a policy that provides for continuity in both funds. A transfer equal to 5% of the Water Reclamation Fund's operating revenues returns to the General Fund an amount consistent with what non-governmental utilities provide in franchise fees.

Five Year Outlook

Over the next five years operating revenues are projected to increase. FYE 17 projected revenues are 8.3% higher than FYE 16 budget revenues.

Summary

An aggressive program of capital improvements has been undertaken. This capital improvement program is reflected in the budgets of the Water Reclamation Fund, Sewer Maintenance Fund, Wastewater Excise Tax Fund, and Sewer Sales Tax Fund. This program has included major repairs and improvements to the sewer interceptors and neighborhood lateral lines throughout the City; the construction of additional sewer mains in northern and southeastern Norman; the construction of major sewerage collection and conveyance systems and lift stations; and major improvements to the handling processes for sewer treatment by-products (“sludge handling”). The Sewer Utility has successfully sought and obtained matching federal funding for the construction of many of these improvements, and will continue to pursue matching funds when feasible.

The final component of these planned capital improvements, financed through the sewer rates approved in 2013, is the expansion of the Sewer Utility’s treatment capacity, to an ultimate capacity of 21.5 million gallons per day. The South Canadian Water Reclamation Facility (WRF) is being expanded from 12 MG/D to a capacity of 17 MG/D over the next 18 months. The improvements to the WRF, estimated to total over \$68 million, are the largest capital project ever undertaken in Norman, and scheduled for completion in early 2017.



Water reclaimed by the Norman Water Reclamation Facility

CITY OF NORMAN

WATER RECLAMATION FUND (32)
STATEMENT OF REVENUES AND EXPENDITURES

	FYE 15 ACTUAL	FYE 16 BUDGET	FYE 16 ESTIMATED	FYE 17 ADOPTED	FYE 18 PROJECTED	FYE 19 PROJECTED	FYE 20 PROJECTED	FYE 21 PROJECTED
1 Beginning Fund Balance	7,427,085	6,186,250	2,194,147	4,111,537	4,751,441	6,667,263	6,003,868	2,978,983
2								
3 Operating Revenues:								
4 Enterprise Fund Fees/Chgs	11,471,545	10,498,963	11,162,000	11,383,240	11,612,945	11,845,204	12,082,108	12,323,750
5 Sewer Replacement Charge	186	569,647	605,000	611,050	617,161	623,333	629,566	635,862
6 Capital Improvement Charge	807,866	688,407	731,500	738,815	746,203	753,665	761,202	768,814
7								
8 Total Operating Revenues	12,279,597	11,757,017	12,498,500	12,735,105	12,976,309	13,222,202	13,472,876	13,728,426
9								
10 Operating Expenditures:								
11 Salaries and Benefits	3,195,785	3,132,520	3,132,520	3,282,489	3,345,299	3,512,564	3,688,192	3,872,602
12 Supplies and Materials	455,966	502,673	456,733	611,813	617,931	624,110	630,352	636,655
13 Services and Maintenance	1,201,010	1,445,847	1,573,216	1,458,665	1,473,252	1,487,984	1,502,864	1,517,893
14 Internal Services	364,202	382,977	382,977	273,307	278,773	284,349	290,036	295,836
15 Cost Allocations	1,860,415	1,777,809	1,777,809	1,787,343	1,805,216	1,823,269	1,841,501	1,859,916
16 Employee Turnover Savings	0	(46,988)	(46,988)	(49,237)	(50,179)	(52,688)	(55,123)	(58,089)
17								
18 Total Operating Expenditures	7,077,378	7,194,838	7,276,267	7,364,380	7,470,292	7,679,587	7,897,622	8,124,813
19								
20 Net Operating Revenue	5,202,219	4,862,179	5,222,233	5,370,725	5,506,017	5,542,615	5,575,254	5,603,613
21								
22 Other Revenues:								
23 Interest Income	37,313	50,000	50,000	50,000	50,000	50,000	50,000	50,000
24 Bond Proceeds/Grant Reimb.	3,236,257	0	26,591,643	0	0	0	0	0
25 Misc. Revenue/Cost Allocation	714,146	573,462	573,462	491,757	496,675	501,641	506,658	511,724
26 I/F Transf - Halpark (capacity)	0	0	0	0	0	0	0	0
27 I/F Transf - Sanitation	0	0	0	0	0	0	0	0
28 I/F Transf - General Fund	0	0	0	0	0	0	0	0
29 I/F Transf - Sewer Sales Tax Fund 323	0	0	0	0	0	0	0	0
30								
31 Total Other Revenues	3,987,716	623,462	27,215,105	541,757	546,675	551,641	556,658	561,724
32								
33								
34 Other Expenditures:								
35 Audit Accruals/Adjustments	563,820	0	0	0	0	0	0	0
36 Debt Service-05 Rev. Bonds	433,768	0	0	0	0	0	0	0
37 Debt Service-96 SRF Note	139,200	69,336	69,336	0	0	0	0	0
38 Debt Service- Rel. 03 (96 issue)	725,922	0	0	0	0	0	0	0
39 Debt Service-99 SRF Note	255,340	254,093	254,093	255,319	254,057	252,796	127,177	0
40 Debt Service-14 SRF Note	1,425,068	3,380,100	3,380,100	2,357,044	2,359,393	2,360,809	2,364,256	2,322,227
41 Debt Service - 15 Rev. Bonds	7,841	1,315,104	1,315,104	653,055	243,949	248,997	128,832	0
42 Capital Projects	5,360,660	1,314,000	23,835,396	922,400	612,800	3,250,000	5,877,000	3,475,000
43 Capital Equipment	576,097	1,026,932	1,107,819	467,619	35,749	0	0	0
44 I/F Transf - Sewer Maint Fund 321	4,361,674	0	0	0	0	0	0	0
45 I/F Transf - Sewer Sales Tax Fund 323	0	0	0	0	0	0	0	0
46 I/F Transf - Halpark	0	0	0	0	0	0	0	0
47 I/F Transf - General Fund	573,483	524,948	558,100	569,262	580,647	592,260	604,105	616,187
48 I/F Transf - General Fund - Meter Svcs	0	0	0	47,880	50,274	52,788	55,427	58,198
49								
50 Total Other Expenditures	14,422,873	7,884,513	30,519,948	5,272,579	4,136,869	6,757,650	9,156,797	6,471,612
51								
52 Net Revenues (Expenditures)	(5,232,938)	(2,698,872)	1,917,390	639,903	1,915,822	(663,394)	(3,024,885)	(306,275)
53								
54 Ending Fund Balance	2,194,147	3,487,378	4,111,537	4,751,441	6,667,263	6,003,868	2,978,983	2,672,708
55								
56 Reserves								
57 Reserve for Encumbrances	20,750,273	0	0	0	0	0	0	0
58 Reserve for Operations	566,190	575,587	582,101	589,150	597,623	614,367	631,810	649,985
59 Reserve for Capital	2,520,400	2,665,550	2,827,440	3,303,700	4,200,667	4,676,000	3,475,000	3,475,000
60 Reserve (Deficit) Surplus	(21,642,716)	246,241	701,996	858,591	1,868,973	713,501	(1,127,827)	(1,452,277)
61								
62 Total Reserves	2,194,147	3,487,378	4,111,537	4,751,441	6,667,263	6,003,868	2,978,983	2,672,708

ANNUAL BUDGET

**SEWER MAINTENANCE FUND
BUDGET
HIGHLIGHTS**

Background

The Sewer Maintenance Fund is an enterprise fund established October 1, 2001, to account for revenues from the \$5 per month Sewer System Maintenance Rate (SMR). It is used to account for all expenditures related to major maintenance of the water reclamation system (capital improvement projects accomplished through contracts with private construction vendors), primarily for rehabilitation of neighborhood sewer lateral lines.

The SMR is intended to provide a higher level of maintenance, keeping the sewer system in good repair over the long term.

Beginning in FYE 15, Norman Sewer Line Maintenance Division personnel and related budget allocations, along with capital improvements charge revenue, was transferred to the Water Reclamation Fund.

During FYE 2015 Budget considerations, the Council Finance Committee discussed transferring the sewer line maintenance operations out of the Sewer Line Maintenance Fund into the Water Reclamation Fund in order to better track the collection and distribution of the \$5 per month Sewer Maintenance Rate. This will more accurately reflect the capital work that is being done with the Sewer Maintenance Rate and will eliminate a transfer of funds between the two funds for the work done by Sewer Line Maintenance Division personnel during the year. Over time, this change in accounting will better reflect the declining amounts of sewer rehabilitation projects that can be paid for by the flat \$5 rate due to inflation of material and labor costs. The maintenance program for neighborhood sewer collector lines ("laterals") will continue in FYE 17 and beyond, generally, the oldest lines in the system are scheduled for replacement first ("worst things first").

FYE 17 Budget

Statement of Revenues and Expenditures

Revenues have been estimated based on actual year to date receipts in FYE 16 extrapolated for a full year.

FYE 17 expenditure projections are based upon line-item analysis. Salaries and benefits are based on current authorized staffing levels. FYE 17 total budgeted expenditures are \$3,863,437

All line items have been reviewed on multiple occasions by department staff, Finance Department staff and the City Manager.

Reserve Policy

Enterprise funds by policy, reserve portion of Fund Balance as follows:

- Operating Reserve equal to 8% of the annual operating cost
- Capital Reserve equal to the annual average of the next 5-year capital expenditure plan.

CITY OF NORMAN

SEWER MAINTENANCE FUND (321)
STATEMENT OF REVENUES AND EXPENDITURES

	FYE 15 ACTUAL	FYE 16 BUDGET	FYE 16 ESTIMATED	FYE 17 ADOPTED	FYE 18 PROJECTED	FYE 19 PROJECTED	FYE 20 PROJECTED	FYE 21 PROJECTED
1 Beginning Fund Balance	(64,661)	540	4,159,656	1,088,220	138,474	219,719	327,489	461,935
2								
3 Operating Revenues:								
4 Capital Improvement Charge	0	0	0	0	0	0	0	0
5 Sewer Maintenance Rate	2,905,387	2,884,843	2,884,843	2,913,691	2,942,828	2,972,256	3,001,979	3,031,999
7								
8 Total Operating Revenues	2,905,387	2,884,843	2,884,843	2,913,691	2,942,828	2,972,256	3,001,979	3,031,999
9								
10 Operating Expenditures:								
11 Salaries and Benefits	77,330	74,682	74,682	57,123	57,972	60,870	63,914	67,109
12 Supplies and Materials	735	2,516	2,516	2,109	2,130	2,151	2,173	2,195
13 Services and Maintenance	(309)	2,025	2,025	2,025	2,045	2,066	2,086	2,107
14 Internal Services	0	0	0	300	306	312	318	325
15 Cost Allocations	0	0	0	0	0	0	0	0
16 Employee Turnover Savings	0	(1,120)	(1,120)	(1,120)	(870)	(913)	(959)	(1,007)
17								
18 Total Operating Expenditures	77,756	78,103	78,103	60,437	61,583	64,486	67,533	70,729
19								
20 Net Operating Revenue	2,827,631	2,806,740	2,806,740	2,853,254	2,881,245	2,907,770	2,934,446	2,961,270
21								
22 Other Revenues:								
23 Interest Income	0	0	0	0	0	0	0	0
24 Misc. Revenue	61,325	0	0	0	0	0	0	0
25 I/W Transf Wastewater Fund 32	4,361,674	0	0	0	0	0	0	0
26								
27 Total Other Revenues	4,422,999	0	0	0	0	0	0	0
28								
29								
30 Other Expenditures:								
31 Capital Projects	3,026,313	2,785,000	5,876,105	3,803,000	2,800,000	2,800,000	2,800,000	2,800,000
32 Capital Equipment	0	0	2,071	0	0	0	0	0
33 Audit Accruals/Adjustments	0	0	0	0	0	0	0	0
34								
35 Total Other Expenditures	3,026,313	2,785,000	5,878,176	3,803,000	2,800,000	2,800,000	2,800,000	2,800,000
36								
37 Total Revenues	7,328,386	2,884,843	2,884,843	2,913,691	2,942,828	2,972,256	3,001,979	3,031,999
38								
39 Total Expenditures	3,104,069	2,863,103	5,956,279	3,863,437	2,861,583	2,864,486	2,867,533	2,870,729
40								
41 Net Revenues (Expenditures)	4,224,317	21,740	(3,071,436)	(949,746)	81,245	107,770	134,446	161,270
42								
43 Ending Fund Balance	4,159,656	22,280	1,088,220	138,474	219,719	327,489	461,935	623,205

**NEW DEVELOPMENT EXCISE TAX FUND
BUDGET
HIGHLIGHTS**

Background

The New Development Excise Tax Fund is an enterprise fund established October 1, 2001, as a result of Ordinance 0001-58, adopted by City Council on June 12, 2001, and approved by voters on August 14, 2001. The fund was established to account for revenues and capital project expenditures from excise tax levied and collected on new development (including developments of tax-exempt property owners) to be served by the City's water reclamation system. The tax imposed is collected at the time a building permit is issued for all construction and based upon the square footage as set forth in the permit as follows:

- New Residential Construction - \$850 for homes up to 1,200 square feet and \$2 per square foot for each square foot in excess of 1,200 square feet.
- Non-Residential Construction - \$115 per employee plus \$4 per gallon per day of additional flow, if estimated flow is greater than 30 gallons per day per employee.
- Residential expansions which include the installation of plumbing fixtures – \$1 per square foot for each additional square foot added to the current structure.

As agreed to between the permit applicant and the City Engineer and Utilities Department, water records for existing facilities will be used to estimate future wastewater flow for non-residential construction and projected employees will be agreed to in advance of the permit issuance.

The funds collected from the Excise Tax shall be used exclusively for wastewater expansion, improvements, and to pay debt service on obligations issued to finance future improvements and expansion of the wastewater system. Since its inception in 2001, the Wastewater Excise Tax has generated over \$24,150,000 for system expansion and improvement.

FYE 17 Budget

Statement of Revenues and Expenditures

Revenues have been estimated on historic building permit records applied to excise tax regulations (i.e., projections are based on revenues that would accrue if past building patterns in an "average" year are continued), and are projected at \$1,700,000 for FYE 17

Five Year Outlook

Based on extraordinary multi-family residential housing construction in FYE 15, excise tax revenues have been higher than usual. Excise tax revenues are projected to be the same in years FYE 17 through FYE 21. It is anticipated that construction will return to historic patterns beginning in FYE 16.

CITY OF NORMAN

NEW DEVELOPMENT EXCISE FUND (322)
STATEMENT OF REVENUES AND EXPENDITURES

	FYE 15 ACTUAL	FYE 16 BUDGET	FYE 16 ESTIMATED	FYE 17 ADOPTED	FYE 18 PROJECTED	FYE 19 PROJECTED	FYE 20 PROJECTED	FYE 21 PROJECTED
1 Beginning Fund Balance	14,729,228	11,723,368	9,474,166	7,694,149	7,523,611	7,128,960	7,047,838	6,189,350
2								
3 Operating Revenues:								
4 Excise Tax - Residential	1,983,080	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
5 Excise Tax - Commercial	165,999	400,000	400,000	400,000	400,000	400,000	400,000	400,000
6								
7 Total Operating Revenues	2,149,079	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
8								
9 Total Operating Expenditures	0	0	0	0	0	0	0	0
10								
11 Net Operating Revenue	2,149,079	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
12								
13 Other Revenues:								
14 Interest Income	62,011	200,000	200,000	200,000	200,000	200,000	200,000	200,000
15 Bond Proceeds/Grant Reimb.	2,221,175	0	14,813,873	0	0	0	0	0
16 SRF Loan Proceeds	0	0	0	0	0	0	0	0
17 I/F Transf - General Fund	0	0	0	0	0	0	0	0
18 Transfer From Sewer Sales Tax	0	0	0	0	0	0	0	0
19								
20 Total Other Revenues	2,283,186	200,000	15,013,873	200,000	200,000	200,000	200,000	200,000
21								
22 Other Expenditures:								
23 Debt Service - 09 SRF	361,399	357,519	357,519	360,019	360,019	360,019	360,019	360,019
24 Debt Service - 14 SRF	583,255	2,319,900	2,319,900	1,618,519	1,620,132	1,621,104	1,623,469	1,594,623
25 Services & maintenance	0	1,000	16,180	0	0	0	0	0
26 Capital Projects	8,742,473	0	15,800,291	92,000	314,500	0	775,000	775,000
27								
28 Total Other Expenditures	9,687,327	2,678,419	18,493,890	2,070,538	2,294,651	1,981,123	2,758,488	2,729,642
29								
30 Net Revenues (Expenditures)	(5,255,062)	(778,419)	(1,780,017)	(170,538)	(394,651)	(81,123)	(858,488)	(829,642)
31								
32 Ending Fund Balance	9,474,166	10,944,949	7,694,149	7,523,611	7,128,960	7,047,838	6,189,350	5,359,708
33								

**SEWER SALES TAX FUND
BUDGET
HIGHLIGHTS**

The Sewer Sales Tax Fund was established October 1, 2001, to account for revenues from the five-year wastewater system sales and use tax, and expenditures for capital improvement projects.

Ordinance 0001-57 was adopted by City Council on June 12, 2001, and approved by voters on August 14, 2001, as a means of financing current capital needs in the City's wastewater system. An additional $\frac{1}{2}$ percent, dedicated sales and use tax imposed by Ordinances 0001-57 and 0102-12 was in effect from October 1, 2001, until September 30, 2006. Funds are dedicated to the reconstruction and replacement of major sewer mains (interceptors) and treatment systems serving current sewer customers. For these purposes, "current" customers are those whose property was attached to the system, or whose properties were in approved platted areas, or areas contracted for City sewer service, as of August 22, 2000.

Resolution R-0102-55 approved a Citizens Oversight Committee consisting of nine (9) members for the purpose of ensuring voter-approved sales tax, excise tax, and maintenance fees are spent in accordance with the Ordinances and report to the City Council on an annual basis. Resolution R-0102-98 approved a Wastewater Master Plan Implementation Committee consisting of Council Members and citizens, for the purpose of ensuring that implementation policies follow the intent of the Citizen's Wastewater Coalition and the Master Plan.

Ordinance 0203-42 was adopted by the City Council/Norman Utilities Authority on April 8, 2003, and approved by the voters of Norman on June 10, 2003. This ordinance clarified the approved uses of the Sewer Sales Tax proceeds of at least \$3.5 million for sludge processing improvements, and at least \$3.2 million towards construction of expanded treatment capacity, and the remainder for sewer main improvements. Remaining proceeds of the 2001-2006 Sewer Sales Tax Fund will be used toward the improvements to and expansion of the Norman Water Reclamation Facility

Statement of Revenues and Expenditures

Sewer Sales Tax revenue collections ended September 30, 2006.

The $\frac{1}{2}$ percent sewer sales and use tax generated \$32,099,157 in revenue from October 1, 2001 through September 30, 2006 and interest continued to accrue to the Fund after that time.

All of the sewer sales tax collections were spent in FYE 15. The fund will be closed for future years.

CITY OF NORMAN

SEWER SALES TAX FUND (323)
STATEMENT OF REVENUES AND EXPENDITURES

	FYE 15 ACTUAL	FYE 16 BUDGET	FYE 16 ESTIMATED	FYE 17 ADOPTED	FYE 18 PROJECTED	FYE 19 PROJECTED	FYE 20 PROJECTED	FYE 21 PROJECTED
1 Beginning Fund Balance	5,959,767	0	0	0	0	0	0	0
2								
3 Operating Revenues:								
4 Sales Tax	0	0	0	0	0	0	0	0
5 Use Tax	0	0	0	0	0	0	0	0
6								
7 Total Operating Revenues	0	0	0	0	0	0	0	0
8								
9 Total Operating Expenditures	0	0	0	0	0	0	0	0
10								
11 Net Operating Revenue	0	0	0	0	0	0	0	0
12								
13 Other Revenues:								
14 Interest Income	10,821	0	0	0	0	0	0	0
15 Misc. Revenue/Grant Reimbursements	0							
16 I/F Transfer - Wastewater Fd	0							
17								
18 Total Other Revenues	10,821	0	0	0	0	0	0	0
19								
20 Other Expenditures:								
21 Audit Accruals/Adj/Encumbrances								
22 Capital Projects	5,970,588	0	0	0	0	0	0	0
23 I/F Transfer - Develop Excuse Hd	0		0					
24 I/F Transfer - Water Reclamation Fd	0							
25								
26 Total Other Expenditures	5,970,588	0	0	0	0	0	0	0
27								
28 Net Revenues (Expenditures)	(5,959,767)	0	0	0	0	0	0	0
29								
30 Ending Fund Balance - Reserved for use 31 to meet current needs in accordance with	0	0	0	0	0	0	0	0

**SANITATION FUND
BUDGET
HIGHLIGHTS**

Background

The Sanitation Fund is an enterprise fund used to account for the operations associated with solid waste collection and disposal in the City of Norman. Residential collection services are provided weekly, with separate services for yard waste and household garbage. Commercial service is provided on an as-needed basis, and composting and recycling services are also available.

Sanitation rates, approved by the voters in 2011, are as follows:

Residential Customers	\$14.00/unit/month + \$3/month for curbside recycling			
	Container	Base		Rate
	<u>Size</u>	<u>Rate</u>	<u>After</u>	<u>cu. yd.</u>
Commercial Customers	2 cu. yds.	52.12	8 cu. yds.	7.04
	3 cu. yds.	66.34	12 cu. yds.	5.95
	4 cu. yds.	78.17	16 cu. yds.	5.15
	6 cu. yds.	97.12	24 cu. yds.	4.48
	8 cu. yds.	113.71	32 cu. yds.	4.07

FYE 17 Budget

Statement of Revenues and Expenditures

Revenues have been estimated at a growth rate of 2% per year with a projected increase of \$1.00/per month for users who desire additional rollout carts.

FYE 17 expenditure projections are based upon line-item analysis within the Utility. Salaries and benefits are based on current authorized staffing levels. All line items have been reviewed on multiple occasions by Utilities Department staff, Finance Department staff and the City Manager.

One capital project is scheduled in FYE 17 for a Compost Equipment Shed in the amount of \$23,000. The Sanitation Utility is increasing its fleet replacement budget in FYE 17, in an attempt to improve vehicle performance and reduce downtime.

Reserve Policy

Enterprise funds have reserve policies to reserve portions of fund balance as follows:

- Operating Reserve equal to 8% of the annual operating cost
- Capital Reserve equal to the annual average of the next 5 year capital expenditure plan

The FYE 17 ending fund balance is projected to be \$7,847,472, which meets the operations and Capital Reserve requirements discussed above.

CITY OF NORMAN

Levelized Rate Policy

Utility rates should be set at a level to meet the average net income requirements over a five year period without the need for interim adjustments and to meet all reserve requirements at the end of the five-year period.

Five Year Outlook

All reserve requirements will be met and a surplus of funds will be held in reserves.

Summary

The Sanitation Utility will continue to deliver its level of customer service under the approved rate structure. The Utility will give a high priority to catching up on its backlogged fleet replacement schedules over time.

CITY OF NORMAN

SANITATION FUND (33)
STATEMENT OF REVENUES AND EXPENDITURES

	FYE 15 ACTUAL	FYE 16 BUDGET	FYE 16 ESTIMATED	FYE 17 ADOPTED	FYE 18 PROJECTED	FYE 19 PROJECTED	FYE 20 PROJECTED	FYE 21 PROJECTED
1 Beginning Fund Balance	7,034,287	4,540,931	7,671,509	6,740,650	7,847,472	9,839,448	12,010,036	14,353,607
2								
3 Operating Revenues:								
4 Enterprise Fund Fees/Chgs	13,909,764	12,709,918	14,277,250	14,562,795	14,854,051	15,151,132	15,454,155	15,763,238
5 Other Revenue	316,452	210,202	213,217	215,349	217,502	219,677	221,874	224,093
6								
7 Total Operating Revenues	14,226,156	12,920,120	14,490,467	14,778,144	15,071,553	15,370,809	15,676,029	15,987,331
8								
9 Operating Expenditures:								
10 Salaries / Benefits	4,088,732	3,958,861	3,958,861	4,149,615	4,230,051	4,441,554	4,663,631	4,896,813
11 Supplies / Materials	1,340,805	1,630,315	1,630,979	1,274,471	1,287,216	1,300,088	1,313,089	1,326,220
12 Services / Maintenance	2,768,033	2,995,796	2,995,515	3,001,139	3,031,150	3,061,462	3,092,077	3,122,998
13 Internal Services	1,003,993	849,008	849,008	803,614	819,686	836,080	852,802	869,858
14 Cost Allocations	1,415,048	1,362,362	1,362,362	1,422,558	1,436,784	1,451,152	1,465,664	1,480,321
15								
16 Total Operating Expenditures	10,616,611	10,796,342	10,796,725	10,651,397	10,804,887	11,090,356	11,387,263	11,696,210
17								
18 Net Operating Revenue	3,609,545	2,123,778	3,693,742	4,126,747	4,266,666	4,280,473	4,288,765	4,291,121
19								
20 Other Revenue:								
21 Interest Income	37,987	30,000	30,000	30,000	30,000	30,000	30,000	30,000
22 Bond/Grant Proceeds	0	0	0	0	0	0	0	0
23								
24 Total Other Revenue	37,987	30,000	30,000	30,000	30,000	30,000	30,000	30,000
25								
26 Other Expenditures:								
27 Audit Accruals/Adjustments	74,906							
28 Capital Equipment	2,278,891	1,726,605	1,987,696	2,327,655	1,600,000	1,600,000	1,600,000	1,600,000
29 Debt Service - 2010 Notes	320,091	315,991	315,991	320,470	317,190	318,652	319,768	320,539
30 Debt Service - 2013 Notes	326,857	327,057	327,057	330,920	337,226	168,445	0	0
31 Capital Projects	9,565	1,000,000	2,023,857	23,000	0	0	0	0
32 I/F Transfer - General Fund - Meter Sys		0	0	47,880	50,274	52,788	55,427	58,198
33								
34 Total Other Expenditures	3,010,310	3,369,653	4,654,601	3,049,925	2,304,690	2,139,885	1,975,195	1,978,737
35								
36 Net Revenues (Expenditures)	637,222	(1,215,875)	(930,859)	1,106,822	1,091,976	2,170,588	2,343,570	2,342,384
37								
38 Ending Fund Balance	7,671,509	3,325,057	6,740,650	7,847,472	9,839,448	12,010,036	14,353,607	16,695,990
39								
40 Reserves								
41 Reserve for Operations	849,329	863,707	863,738	852,112	864,391	887,227	910,981	935,697
42 Reserve for Bond Projects - 13 Series	0	0	0	0	0	0	0	0
43 Reserve for Debt	0	0	0	0	0	0	0	0
44 Reserve for Capital	2,232,442	1,787,664	1,750,131	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
45 Reserve (Deficit) Surplus	4,589,738	673,686	4,126,781	5,395,360	7,375,057	9,522,809	11,842,626	14,160,293
46								
47 Total Reserves	7,671,509	3,325,057	6,740,650	7,847,472	9,839,448	12,010,036	14,353,607	16,695,990
	=====	=====	=====	=====	=====	=====	=====	=====

ANNUAL BUDGET

**RISK MANAGEMENT FUND
BUDGET
HIGHLIGHTS**

Background

The Risk Management Fund is an Internal Service Fund established to account for the resources utilized to provide for the self-insurance of Worker's Compensation and Unemployment Insurance and to pay "stop loss" premiums on insurance for high-dollar employee health and property casualty claims.

Health insurance claims are accounted for in this fund. The City self-insures for these benefits and utilizes a third party administrator to administer the benefits. Consultants are also utilized to set premiums and structure plan benefits. FYE 17 health claim costs are projected to be \$12,329,313, the same as FYE 16 budget figures.

Workers' Compensation benefits are paid to employees who are injured on the job. The Legal Department administers this program in conjunction with the Finance Department and Human Resources Department. Claims are submitted to the Finance Department for review and, if approved, are paid directly by the City. The projected cost in FYE 17 is \$2,218,500.

Unemployment claims are filed with the State and when approved, are then submitted to the City for their response. The FYE 17 estimated cost of unemployment claims is approximately \$22,000.

Judgments and claims against the City are accounted for in the Risk Management Fund. Judgments are placed on ad valorem tax rolls and revenues are transferred from the Debt Service Fund to cover claims expenditures.

Through Internal Service charges, City departmental budgets are charged "premiums" for each budgeted employee. These charges to City department budgets are accounted for as revenue in the Risk Management Fund for health insurance, workers' compensation, and unemployment benefits.

A five-year financial forecast is found in this section. The purpose of a five-year forecast is to project existing conditions into the future, given certain assumptions, in order to determine future financial viability, to identify financial strengths and weaknesses and to provide a base for remedial or supportive financial policy

Reserve Policy

Operating Reserves are based on a three-month claim history excluding judgments and claims as they are repaid from ad valorem tax revenues. Reserve levels for health insurance and workers' compensation meet and exceed this targeted level.

CITY OF NORMAN

FYE 17 Budget

After many years of having inadequate revenues to meet expenses or required reserve levels, the workers' compensation and health insurance reserves are now adequate. Much of the credit for this financial improvement goes to the City's Health Insurance Committee and its consultant, and much credit goes to changes in Oklahoma Workers' Statutes.

Five Year Outlook

The financial position of this Fund is dependent upon the participating funds.

Changes to employees' current health plan are needed to reduce the rate of growth in claim costs. Close scrutiny of the plan's operations and benefits will ensure minimal increases necessary to maintain existing coverage levels.

CITY OF NORMAN

RISK MANAGEMENT FUND (43)
STATEMENT OF REVENUES AND EXPENDITURES

	PYE 15 ACTUAL	PYE 16 BUDGET	PYE 16 ESTIMATED	PYE 17 ADOPTED	PYE 18 PROJECTED	PYE 19 PROJECTED	PYE 20 PROJECTED	PYE 21 PROJECTED
1 Beginning Fund Balance	1,037,123	1,339,904	3,903,539	4,233,491	4,523,576	4,790,390	5,278,750	5,731,133
2								
3 Revenues								
4 Int Svcs Ch - W/C	2,350,903	1,927,432	1,927,432	1,000,000	1,500,000	2,000,000	2,100,000	2,300,000
5 Int Svcs Ch - Risk	310,395	419,866	419,866	300,000	(156,754)	(60,611)	94,335	438,898
6 Int Svcs Ch - Unemployment	0	9,227	9,227	14,097	22,220	22,442	22,667	22,893
7 Int Svcs Ch - Health Ins Prem - City	9,768,889	10,506,341	10,506,341	10,979,126	11,473,187	11,760,017	12,054,017	12,355,367
8 Health Ins Premiums - Employee	2,226,803	2,261,058	2,261,058	2,362,806	2,469,132	2,530,861	2,594,132	2,658,085
9 Other Revenues	178,278	0	0	0	0	0	0	0
10 I/F Transfer - Debt Service	900,309	900,400	900,400	861,030	825,000	825,000	825,000	825,000
11								
12 Total Revenues	15,735,667	16,024,324	16,024,324	15,517,059	16,232,785	17,077,709	17,690,150	18,601,144
13								
14 Expenditures								
15 Salary / Benefits - Risk	234,465	214,530	214,530	225,506	229,297	240,762	252,800	265,440
16 Salary / Benefits - Health Ins	91,514	91,501	91,501	94,966	96,371	101,190	106,249	111,562
17 Services / Maintenance	156,338	166,684	166,684	166,690	168,357	170,040	171,741	173,458
18 Judgments / Claims	261,088	290,000	290,000	170,000	320,000	320,000	320,000	320,000
19 Workers' Comp Pymts	1,753,900	2,218,500	2,223,274	2,218,500	2,307,240	2,399,530	2,495,511	2,595,331
20 Unemployment Claims	13,648	22,000	22,000	22,000	22,220	22,442	22,667	22,893
21 Health Insurance Claims	9,936,041	10,229,591	10,229,591	10,229,591	10,638,775	11,064,326	11,506,899	11,967,175
22 Health Insurance Fees	1,872,198	2,099,722	2,099,722	2,099,722	2,183,711	2,271,059	2,361,902	2,456,378
23 I/F Transfer - General Fd	36,741	0	16,070	0	0	0	0	0
24 I/F Transfer - Water Fd	0	0	0	0	0	0	0	0
25 Audit Accruals / Adjustments	(1,486,682)	0	0	0	0	0	0	0
26 Total Expenditures	12,869,251	15,332,528	15,694,372	15,226,975	15,965,970	16,589,349	17,237,768	17,912,237
27								
28 Net Difference	2,866,416	691,796	329,952	290,084	266,815	488,360	452,383	688,908
29								
30 Ending Fund Balance	3,903,539	2,031,700	4,233,491	4,523,576	4,790,390	5,278,750	5,731,133	6,420,041
31								
32 Reserves:								
33 Reserved for Health Insurance	554,378	754,086	900,963	1,818,617	2,842,079	3,696,382	4,369,481	4,848,720
34 Reserved for Unemployment	20,896	0	8,123	220	220	220	220	220
35 Reserved for W/C/Claims/Judgments	1,315,803	906,688	1,630,361	1,102,891	800,651	906,121	1,015,611	1,225,279
36 Reserved for Risk Mgmt	2,012,462	370,926	1,694,044	1,601,848	1,147,440	676,027	345,821	345,821
37								
38 Total Reserves	3,903,539	2,031,700	4,233,491	4,523,576	4,790,390	5,278,750	5,731,133	6,420,041
39								
40 Targeted Reserves:								
41 Reserve for Health Insurance	1,656,007	1,704,932	1,704,932	1,704,932	1,773,129	1,844,054	1,917,816	1,994,520
42 Reserve for Workers Comp	292,317	369,750	370,546	369,750	384,540	399,922	415,918	432,555
43								
44 Total Targeted Reserves	1,948,324	2,074,682	2,075,478	2,074,682	2,157,669	2,243,976	2,333,735	2,427,084
Reserve Deficit								
NOTE: Reserve surplus (deficit)	1,955,216	(42,982)	2,158,014	2,448,894	2,632,721	3,034,774	3,397,398	3,992,956
Health Ins Prem % Increase		7.25%		4.50%	4.50%	2.50%	2.50%	2.50%

ANNUAL BUDGET

**CAPITAL IMPROVEMENTS FUND
BUDGET
HIGHLIGHTS**

Background

The City of Norman Capital Improvements Budget document is produced as a separate document, which contains detailed descriptions of all current and proposed projects for the Fiscal Years Ending (FYE) 2017-2021. The document is divided into sections: an overview of policies and how the Capital Improvement Plan is based on Norman 2025, the City's Land Use and Transportation Plan; and summary information by project name, budget year, and funding source. Also, detailed project sheets describing the project, budget schedule, and progress by budget year.

The Capital Improvements Fund is established to account for capital projects funded by sales tax receipts or general obligation bond issues. Those projects relating to enterprise funds and funded with fees and charges are accounted for in the respective enterprise funds. All capital projects and their funding are approved by City Council. All capital projects, regardless of the source of funding, are identified and tracked in the Capital Improvements Plan, FYE 2017-2021 document.

Seventy percent (70%) of one percent (0.7%) of sales tax is set aside for capital improvements. Those projects approved for construction with this funding are accounted for in the Capital Improvements Fund. By Council policy, funds are allocated to priority capital categories as follows:

General Maintenance of Existing Facilities:	5%
Fleet Replacement Supplement:	7%
Capital Outlay:	27%
Street Maintenance:	25%
Capital Projects:	Balance or 36%

The Capital Fund also includes funding for the following positions that provide support to capital projects: a Capital Projects Manager, Capital Projects Engineer, a Storm Water Engineer, Traffic Staff Engineer, 25% of an Engineering Assistant's position, 70% of the Park Planner I, 40% of the Park Planner II, 80% of a Construction Inspector, 50% of a Construction Inspector, 80% of the Utility Coordinator, and 75% of the Facility Maintenance Superintendent. Beginning in FYE 17, a new Construction Manager, and an additional Capital Projects Engineer is added.

Capital Projects generally cost more than \$10,000, are relatively fixed or permanent in nature and have an expected life of more than five years. Such projects consist of the construction of a new, expanded or improved tangible asset, which is physically fixed. Major projects normally require more than one fiscal year to complete. Contracted services for design, land acquisition, utility relocations and construction may be required. Examples include land purchase, new buildings, building additions, street improvements, utility line improvements, parks and playgrounds, and major drainage channel improvements.

Capital Outlay on the other hand, is an expenditure directed towards maintaining or purchasing new or replacing tangible assets which themselves have expected life spans of one to five years. Expenses are generally one-time and occur within a single budget year. Examples include the purchase of vehicles and equipment.

On April 5, 2016, the voters of Norman re-authorized a general obligation bond issue for street resurfacing and improvements city wide. This was third renewal of the five-year G.O. Bond program by the voters, based on maintaining the same average property tax levy to repay the bonds. A total of approximately \$25,000,000 in projects will be paid for by these bonds over five years, in the following types:

- 36% - Concrete street panel replacement and improvement
- 32% - Asphalt street resurfacing and improvement
- 20% - Major road reconstruction projects
- 12% - Rural road paving and improvement

FYE 17 Budget

The FYE 17 Budget shows total projected resources available of \$31,072,235, including beginning fund balance, of \$17,780,325 and total expenditures projected at \$19,904,790 with an ending fund balance of \$11,167,446. Sales tax is projected at a 2% increase from FYE 16 estimated revenue, and an average 4% growth rate in years FYE 17 through FYE 21. Expenditures are based on estimated project costs.

Based on Council direction, the formula for allocating capital sales tax revenues to priority capital categories is proposed to be changed in FYE 2017. In FYE 2017, the seven percent of funding previously allocated to project contingency (fund balance) is proposed to be allocated to a fleet replacement supplement. Council's direction was given in response to concerns about the backlog in funding to replace vehicles, which is estimated to exceed \$10,000,000 by the Fleet Management Division. These supplemental funds (approximately \$788,000 by formula) will be added to the funds "regularly" budgeted for vehicle replacement from the Capital Outlay category (approximately \$1,800,000 in FYE 2017) to more adequately address the identified urgent need for general government fleet replacement.

Capital projects funded in FYE 2017 will impact the General Fund operating budget. Various transportation projects are included in the FYE 2017 capital projects. Some of these projects will be streets built at a much higher standard, reducing maintenance expenses and congestion, as well as increasing safety. Other impacts include additional traffic control and parks facilities that will cumulatively add to the City's maintenance burden in future years. Additional public safety personnel and facilities will also burden future capital budgets.

Each project in the Capital Improvements Plan, FYE 2017-2021 document is evaluated for operating budget impact. A "positive" impact is defined as it will either generate some revenue to offset expenses or will reduce operating costs, "negligible" is defined as operating expenses will increase no more than about \$10,000 per year, "slight" is defined as operating expenses will increase between about \$10,001 and \$50,000 per year, "moderate" is operating expenses will increase between about \$50,001 and \$100,000 per year, and "high" is operating expenses will increase more than \$100,001 per year.

CITY OF NORMAN

Below is a list of capital projects and their associated operating impact.

<u>FYE 2017 projects</u>		
<u>Project Title</u>	<u>Project Category</u>	<u>Operating Impact</u>
Emergency Communications Center	New Building	Moderate
Emergency Communications System	Equipment	Moderate
State Hwy. 9 Multimodal Path, Phase 2	Special Traffic Improvement	Negligible
Water Line Replacement - Main Library	Water Distribution System	Positive
Water Line Replacement - Crossroads Blvd.	Water Distribution System	Positive
Water Line Replacement - Gray Street	Water Distribution System	Positive
Water Line Replacement Gray & Tonhawa	Water Distribution System	Positive
WTP Backwash Tower - Resurfacing	Water Towers	Negligible
Water Wells & Supply Lines 2015	Wells & Distribution System	Slight
Well Field Blending at WTP	Water Treatment Plant	Negligible
Urban Service Area Waterlines	Urban Service Area Water	Positive
Water Line Replacement	Water Line Replacement - Hot Soils	Positive
Water Treatment Plant Upgrade, Phase 2	Water Treatment Plant	Negligible
Summit Valley Interceptor	Wastewater Collection System	Positive
WRF Effluent Reuse at Compost Facility	Non Potable Water System	Positive
WRF Effluent Truck Wash	Building Improvements	Positive
WRF Primary Sludge Thickener Replacement	Wastewater Improvements	Positive
WRF SCADA Improvements	Wastewater Improvements	Moderate
WRF South Digester Boiler Replacement	Wastewater Improvements	Positive
FYE 17 Lift Station Modifications	Sanitary Sewer Replacements	Positive
Lift Station D Force Main Rehab, Phase 2	Wastewater Improvements	Positive
Royal Oaks Force Main Replacement	Wastewater Improvements	Positive
Sewer Lift Station Rehabilitation	Line Maintenance	Negligible
Sewer Maintenance Project FYE 2017	Sanitary Sewer Replacements	Positive
Sanitary Sewer Emergency Repairs	Line Maintenance	Negligible
SE Norman Lift Station	Wastewater Collection System	Positive
Compost Equipment Shed	Building Improvements	Positive
36th Ave. NW & Havenbrook	Intersection Widening with new signal	Negligible
36th Ave. NW - N.of Indian Hills to Moore City limit	Widening and Reconstruction	Negligible
Cedar Lane - E. of 24th SE to 36th SE	Widening and Reconstruction	Negligible
Flood Ave. & Venture Drive	New Signal	Negligible
Legacy Trail Multi Modal Path Extension	Special Traffic Improvement	Negligible
Rock Creek Rd. @ 12th Ave. NW & Trailwoods	Intersection Widening with new sign	Slight
Site #17 Imhoff Creek Channel Repair	Channel Repair	Negligible
Site #28 72nd Ave. NE, S of Tecumseh	Culvert Replacement	Negligible
Building Mechanical/HVAC	Facilities Improvements	Positive
City Website Redesign	Network Infrastructure	Slight
Tree Program	Parks & Recreation	Negligible
Creston Way & Schulze Drive Storm Sewer	Drainage	Positive
Drainage Misc. Annual Projects	General Maintenance	Positive
Drainage Projects	Drainage	Slight
Lake Thunderbird Watershed TMDL Compliance	Storm water Drainage	Moderate
Lindsey St. - 24th Ave. SW to Berry Road, Phase 2	Roadway Widening	Negligible
Central Library - NORMAN FORWARD	New Building	Moderate
East Library - NORMAN FORWARD	New Building	Slight
Indoor Aquatics Facility - NORMAN FORWARD	New Building	Negligible
Indoor Sports Facility - NORMAN FORWARD	New Building	Positive
Community Sports Park - NORMAN FORWARD	Parks & Recreation	Slight
Westwood Swim Complex Replacement	Parks & Recreation	Negligible
Westwood Tennis Center Addition	Parks & Recreation	Negligible
Legacy Park Audio Equipment	Parks & Recreation	Negligible

Summary

Norman is a vibrant, growing city. This growth puts tremendous demands on capital improvement resources for street construction, park development, storm drainage and capital equipment. Alternative financing methods are being evaluated in order to maximize the accomplishment of needed projects.

CITY OF NORMAN

CAPITAL IMPROVEMENTS FUND (50)
STATEMENT OF REVENUES AND EXPENDITURES

	FYE 15 ACTUAL	FYE 16 BUDGET	FYE 16 ESTIMATED	FYE 17 ADOPTED	FYE 18 PROJECTED	FYE 19 PROJECTED	FYE 20 PROJECTED	FYE 21 PROJECTED
1 Beginning Fund Balance	\$ 43,654,800	\$ 11,406,653	\$ 59,395,691	\$ 17,780,325	\$ 11,167,446	\$ 5,858,002	\$ 8,791,952	\$ 533,163
2								
3 Revenues:								
4 Sales Tax	12,961,607	12,385,500	12,385,500	12,633,210	13,138,538	13,664,080	14,210,643	14,779,069
5 Allocated to Debt Service	0	0	0	0	0	0	0	0
6 Interest/Investment Income	95,168	150,000	150,000	150,000	150,000	150,000	150,000	150,000
7 GO Bond Interest Income	28,400	0	0	0	0	0	0	0
8 Donations/Other	174,648	11,556	33,060	8,700	231,636	0	0	0
9								
10 Subtotal	13,259,823	12,547,056	12,568,560	12,791,910	13,520,174	13,814,080	14,360,643	14,929,069
11 I/F Transf - General	0	0	2,561,791	500,000	0	0	0	0
12 I/F Transf - PSST Fund	800,000	0	0	0	0	0	0	0
13 I/F Transf - Special Grant Fund	46,871	1,019,975	1,719,975	0	0	0	0	0
14 I/F Transf - CDBG Fund	0	0	15,933,050	0	0	0	0	0
15 I/F Transf - Norman Forward Fund	0	0	5,582,696	0	0	0	0	0
16 Bond Proceeds	23,084,144	0	14,830,000	0	0	9,795,000	0	0
17								
18 Total Revenue	37,190,838	13,567,031	53,196,072	13,291,910	13,520,174	23,609,080	14,360,643	14,929,069
19								
20 Expenditures:								
21 Salary and Benefits	920,535	935,065	935,065	1,179,827	1,204,961	1,265,209	1,328,470	1,394,893
22 Services and Maintenance	2,983	16,200	16,200	17,198	17,370	17,544	17,719	17,896
23 Capital Outlay (Transfer)	2,636,755	3,422,735	5,211,911	3,427,687	3,547,405	3,689,302	3,836,874	3,990,349
24 Fleet Replacement Supplement	0	0	0	788,660	0	0	0	0
25 Street Maintenance	1,410,935	2,165,377	6,398,509	2,165,377	2,440,377	2,440,377	2,440,377	2,440,377
26 Capital Projects (See Detail)	3,561,483	7,621,247	21,721,391	5,143,515	4,823,880	5,414,000	5,748,840	5,666,500
27 Maintenance of Facilities	362,379	323,000	1,128,822	433,190	289,750	250,000	420,000	216,000
28 Paygo (Bond Projects)	1,019,482	0	114,407	0	0	0	0	0
29 New Bond Projects - 05	785,342	0	88,034	93,012	0	0	0	0
30 New Bond Projects - 10	1,792,169	0	8,769,721	433,578	0	0	0	0
31 New Bond Projects - 99	0	0	0	0	0	0	0	0
32 New Bond Projects - 11	859,362	0	781,010	3,054	0	0	0	0
33 New Bond Projects - 12	6,147,276	3,640,695	25,737,442	658,482	1,019,100	1,938,400	3,657,010	0
34 New Bond Projects - 16	0	0	0	5,226,445	5,148,321	4,288,232	0	0
35 New Bond Projects - 19	0	0	0	0	0	859,766	4,803,302	5,033,934
36 Bond Issue Cost	261,708	0	215,000	0	0	160,000	0	0
37 Debt Service	0	0	0	0	0	0	0	0
38 Audit Accruals/Adj/Encumbrances	(193,997)	0	0	0	0	0	0	0
39								
40 Subtotal	19,566,412	18,124,319	71,117,512	19,570,025	18,491,164	20,322,829	22,252,591	18,759,949
41 I/F Transf - GF (St. Maint. Drainage	126,568	251,205	251,205	263,765	276,953	290,801	305,341	320,608
42 I/F Transf - Parkland Fd	1,860	0	0	0	0	0	0	0
43 I/F Transf - Special Grant Fund	1,019,975	1,019,975	1,719,975	0	0	0	0	0
44 I/F Transf - Special Room Tax Fund	0	70,000	0	0	0	0	0	0
45 I/F Transf - Norman Forward Fund	0	5,582,696	0	0	0	0	0	0
46 I/F Transf - CDBG Fund	731,712	0	15,933,050	0	0	0	0	0
47 I/F Transf - Westwood - Golf	3,420	137,000	137,000	71,000	61,500	61,500	61,500	61,500
48								
49 Total Expenditures	21,449,947	19,532,499	94,811,438	19,904,790	18,829,618	20,675,130	22,619,432	19,142,057
50								
51 Net Difference	15,740,891	(5,965,468)	(41,615,366)	(6,612,880)	(5,309,443)	2,933,950	(8,258,789)	(4,212,988)
52								
53 Ending Fund Balance	59,395,691	5,441,186	17,780,325	11,167,446	5,858,002	8,791,952	533,163	(3,679,825)
54								
55 Reserves:								
56 General Contingency	907,312	866,985	866,985	100,000	919,698	956,486	994,745	1,034,535
57 Reserve for Bond Proceeds - 05	181,046	93,220	93,012	0	0	0	0	0
58 Reserve for Bond Proceeds - 10	9,203,299	977,270	433,578	0	0	0	0	0
59 Reserve for Bond Proceeds - 11	784,064	0	3,054	0	0	0	0	0
60 Reserve for Bond Proceeds - 12	28,231,325	3,542,164	2,278,883	1,620,401	601,301	(1,337,099)	(4,994,109)	(4,994,109)
61 Reserve for Bond Proceeds - 16	0	0	14,615,000	9,388,555	4,240,234	(47,998)	(47,998)	(47,998)
62 Reserve for Bond Proceeds - 19	0	0	0	0	0	8,775,234	3,971,932	(1,062,002)
63 Reserve for Encumbrances	8,144,857	0	0	0	0	0	0	0
64 Available for New Projects	11,943,788	(38,453)	(510,187)	58,490	96,769	445,329	608,593	1,389,749
65								
66 Total Reserves	\$ 59,395,691	\$ 5,441,186	\$ 17,780,325	\$ 11,167,446	\$ 5,858,002	\$ 8,791,952	\$ 533,163	\$ (3,679,825)

ANNUAL BUDGET

**NORMAN FORWARD SALES TAX CAPITAL FUND
BUDGET
HIGHLIGHTS**

Background

Norman Forward is a citizen-initiated proposal to renovate, expand, construct and fund Quality of Life projects, such as multiple recreational facilities, libraries, parks, athletic venues, public art, trails, swim complexes and other quality of life projects throughout Norman.

On October 13, 2015, the voters of Norman voted on and approved a one half of one percent (1/2%) 15-year temporary sales tax increase to fund Norman Forward Quality of Life Projects. The tax was effective January 1, 2016.

A \$43,160,000 revenue note was approved in December 2015 for the financing of these projects.

Some of the projects include:

- New Central and Eastside Branch Libraries - \$44,000,000
- James Garner Avenue Extension - \$6,000,000
- New Indoor Aquatic Facility - \$14,000,000
- Westwood (Outdoor) Pool Reconstruction - \$12,000,000
- Westwood Tennis Center Renovation - \$1,000,000
- Reaves Park Baseball Complex Renovation - \$10,000,000
- Griffin Park Land Purchase - \$10,000,000
- Griffin Park Soccer Complex Reconstruction - \$11,000,000
- New Football and Softball Complex - \$2,500,000
- New Indoor Multi-Sport Facility - \$8,500,000
- Neighborhood Park/Trail Development - \$14,500,000
- Community Park Development - \$9,500,000
- Canadian River Trails Park Development - \$2,000,000
- Road and Infrastructure Improvements - \$3,000,000

Other authorized NORMAN FORWARD expenditures could include public art, maintenance and support personnel.

FYE 17 Budget

In FYE 17, \$10,484,550 in revenues is projected. Expenditures of \$60,023,648 are projected with the majority going towards the Norman Forward projects. Construction of the Central and Eastside Library projects, and the Westwood Pool and Tennis Center projects will be ongoing during FYE 2017. Design and site preparation work on many other Norman Forward projects will also be undertaken in FYE 2017.

CITY OF NORMAN

**NORMAN FORWARD SALES TAX CAPITAL FUND
STATEMENT OF REVENUES AND EXPENDITURES**

	FYE 15 ACTUAL	FYE 16 BUDGET	FYE 16 ESTIMATED	FYE 17 ADOPTED	FYE 18 PROJECTED	FYE 19 PROJECTED	FYE 20 PROJECTED	FYE 21 PROJECTED
1 Beginning Fund Balance	\$0	\$0	\$0	\$ 36,166,433	\$ 22,627,335	\$ 32,644,993	\$ 11,131,816	\$ 6,282,910
2								
3 Revenues:								
4 Sales Tax Revenue	0	0	3,120,700	10,021,500	10,576,600	11,026,100	11,497,750	11,983,275
5 Use Tax Revenue	0	0	144,500	448,050	493,225	514,186	536,000	558,825
6 Interest Income - Bonds	0	0	0	15,000	15,000	15,000	15,000	15,000
7 Interest Income	0	0	0	0	0	0	0	0
8								
9 Subtotal	0	0	3,265,200	10,484,550	11,084,825	11,555,286	12,048,750	12,557,100
10								
11 I/F Transf - Capital Fund - 2015 Bds	0	0	5,582,696	0	0	0	0	0
12 Bond Proceeds - 2015 Bonds	0	0	43,160,000	0	0	0	0	0
13 Bond Proceeds - 2017 Bonds	0	0	0	36,000,000	0	0	0	0
14 Bond Proceeds - 2018 Bonds	0	0	0	0	25,840,000	0	0	0
15								
16 Subtotal	0	0	48,742,696	36,000,000	25,840,000	0	0	0
17								
18 Total Revenue	0	0	52,007,896	46,484,550	36,924,825	11,555,286	12,048,750	12,557,100
19								
20 Expenditures:								
21 Audit Adjustments/Incumbrances	0	0	0	0	0	0	0	0
22 Salary and Benefits	0	0	0	0	0	0	0	0
23 Supplies and Materials	0	0	0	0	0	0	0	0
24 Services and Maintenance	0	0	1,747,645	0	0	0	175,000	175,000
25 Capital Projects - Pay Go	0	0		395,000	2,040,000	2,975,000	5,250,000	6,300,000
26 Capital Projects - 2015 Bonds	0	0	8,053,690	34,648,878	0	0	0	0
27 Capital Projects - 2017 Bonds	0	0	0	22,759,484	12,873,916	0	0	0
28 Capital Projects - 2018 Bonds	0	0	0	0	5,726,084	24,130,000	2,000,000	0
29 Issue Costs	0	0	457,432	381,600	273,904	0	0	0
30 Debt Service - 2015 Bonds	0	0	0	1,838,686	2,266,318	2,236,518	2,606,718	3,157,548
31 Debt Service - 2017 Bonds	0	0	0	0	3,726,945	3,726,945	3,726,945	3,726,945
32 Debt Service - 2018 Bonds	0	0	0	0	0	0	3,138,993	3,138,993
33 I/F Transf - Capital Fund - 2015 Bds	0	0	5,582,696	0	0	0	0	0
34								
35 Total Expenditures	0	0	15,841,463	60,023,648	26,907,167	33,068,463	16,897,656	16,498,486
36								
37 Net Difference	0	0	36,166,433	(13,539,098)	10,017,658	(21,513,177)	(4,848,906)	(3,941,386)
38								
39 Ending Fund Balance	0	0	36,166,433	22,627,335	32,644,993	11,131,816	6,282,910	2,341,524
40								
41 Reserves:								
42 General Contingency	0	0	1,517,555	9,753,419	12,789,981	15,391,804	12,527,898	8,571,512
43 Reserve for Bond Proceeds - 2015 Bc	0	0	34,648,878	0	0	0	0	0
44 Reserve for Bond Proceeds - 2017 Bo	0	0	0	12,873,916	0	0	0	0
45 Reserve for Bond Proceeds - 2018 Bc	0	0	0	0	19,855,012	(4,259,988)	(6,244,988)	(6,229,988)
46								
47 Total Reserves	\$ -	\$ -	\$ 36,166,433	\$ 22,627,335	\$ 32,644,993	\$ 11,131,816	\$ 6,282,910	\$ 2,341,524

ANNUAL BUDGET

**PARK LAND AND DEVELOPMENT FUND
BUDGET
HIGHLIGHTS**

Background

The Park Land and Development Fund is a Special Revenue Fund established for the purpose of accounting for Park Land fees as identified in Ordinance Number O-7576-21 dated January 1976. The Ordinance was amended in September 1994 and provides in Section 19-702, "All persons, firms or corporations subdividing land under provisions of the Code of the City of Norman for residential purposes within the boundaries of said City shall, prior to the recording of their respective final plats, and subject to the other provisions hereinafter following: (1) dedicate land to be used solely and exclusively for public park and recreation purposes or, (2) make an equivalent monetary contribution based upon a value of the land required to be dedicated, in lieu of the actual transfer of land or, (3) dedicate land to a mandatory Property Owner Association (P.O.A.) for private recreation purposes."

An additional park development fee approved in September 1994 is being accounted for in the Park Land and Development Fund. This fee is used 50% for development for community parks and 50% for neighborhood parks.

On March 1, 2011, voters approved a Charter Amendment to allow the use of park land fees in the nearest community and/or neighborhood park in the absence of suitable park land sites in the subdivision that generated the fees.

Community parks include Andrews, Reaves, Griffin, Sutton, Saxon, Ruby Grant, and Legacy Park. There are an additional 56 neighborhood parks.

FYE 17 Budget

There are revenues of \$130,000 estimated in FYE 17, which include fees of \$120,000.

There is a fund balance of \$736,830 projected at the end of FYE 17 that may be utilized for the purposes discussed in the Park Land Ordinance.

\$50,000 is estimated in FYE 17 for park capital projects.

CITY OF NORMAN

PARK LAND AND DEVELOPMENT FUND (52)
STATEMENT OF REVENUES AND EXPENDITURES

	FYE 15 ACTUAL	FYE 16 BUDGET	FYE 16 ESTIMATED	FYE 17 ADOPTED	FYE 18 PROJECTED	FYE 19 PROJECTED	FYE 20 PROJECTED	FYE 21 PROJECTED
1 Beginning Fund Balance	1,216,774	565,223	1,084,383	656,830	736,830	866,830	996,830	1,126,830
2								
3 Revenues								
4 Interest/Investment Income	5,648	15,000	10,000	10,000	10,000	10,000	10,000	10,000
5 Community Park Fees	70,200	45,000	70,000	70,000	70,000	70,000	70,000	70,000
6 Neighborhood Park Fees	63,900	40,000	50,000	50,000	50,000	50,000	50,000	50,000
7 In-Lieu of/Other	6,816	0	0	0	0	0	0	0
8 I/F Transfer - Capital	1,860	0	0	0	0	0	0	0
9								
10 Total Revenue	157,424	100,000	130,000	130,000	130,000	130,000	130,000	130,000
11								
12 Expenditures								
13 Community Park Projects	109,402	37,500	119,185	50,000	0	0	0	0
14 Neighborhood Park Projects	181,286	0	438,368	0	0	0	0	0
15 Parkland acquisition	0	0	0	0	0	0	0	0
16 I/F Transf- Room Tax	0	0	0	0	0	0	0	0
17 I/F Transf- Capital	0	0	0	0	0	0	0	0
18 I/F Transf- GI	0	0	0	0	0	0	0	0
19 Services & maintenance	0	0	0	0	0	0	0	0
20 Audit Accruals/Adjustments	(873)	0	0	0	0	0	0	0
21								
22 Total Expenditures	289,815	37,500	557,553	50,000	0	0	0	0
23								
24 Net Difference	(132,391)	62,500	(627,553)	80,000	130,000	130,000	130,000	130,000
25								
26 Ending Fund Balance	1,084,383	627,723	656,830	736,830	866,830	996,830	1,126,830	1,256,830
27								
28 Reserves								
29 Reserve for Community Parks	146,887	1,001	97,702	117,702	187,702	257,702	327,702	397,702
30 Reserve for Neighborhood Parks	937,496	581,687	549,128	599,128	649,128	699,128	749,128	799,128
31 Reserve for Park Land	0	45,035	10,000	20,000	30,000	40,000	50,000	60,000
32								
33 Total Reserves	1,084,383	627,723	656,830	736,830	866,830	996,830	1,126,830	1,256,830

**UNIVERSITY NORTH PARK TAX INCREMENT DISTRICT FUND
BUDGET
HIGHLIGHTS**

Background

The University North Park Tax Increment Finance District (UNP TIF) Fund is a Capital Fund established to account for the incremental revenue from sales and property taxes generated from Tax Increment District Two, City of Norman and public improvement project costs within the district.

On May 23, 2006, the City Council adopted Ordinance O-0506-66, establishing the University North Park Tax Increment Finance District (City of Norman TIF #2). TIF #2 is located on a 580-acre tract of land along I-35 in north central Norman. Plans for the TIF include the construction of public infrastructure including road and traffic improvements; a conference center, a new community park ("Legacy Park") and extension of the City's Legacy Trail; and economic development incentives designed to attract quality jobs and higher-end retail establishments to the UNP Development.

FYE 17 Budget

In Fiscal Year 2017, incremental apportionment revenues of an estimated \$3,794,061 in sales tax and \$835,000 in property tax are projected. Several transportation improvement projects, funded by the University North Park TIF, will be under construction or completed in FYE 17. The first major employer to be housed in the University North Park Corporate Center has begun construction on their facility (Immuno-Mycologics, Inc.) and a major multi-family housing development is also under construction in UNP. The timing and status of other approved TIF projects will be reviewed in relation to the development of the UNP area.

The Council approved the formation of the University North Park Business Improvement District (UNP BID) on July 8, 2014 (Resolution 1415-11). The BID will collect assessments from property owners in the UNP development, to be matched by City TIF funds, together totaling \$200,000 per year for ten years, beginning in 2015. These allocations are for the purpose of providing for the maintenance of Legacy Park, including park trails and greenways throughout the UNP development. BID proceeds may also be used for landscape and lighting plans, and for the design and/or construction of a decorative entryway into the UNP development. The FYE 2017 budget includes \$75,000 from BID assessments and \$116,485 in City TIF funds for these maintenance expenses. The entryway sign project is expected to be constructed in FYE 2017.

The final major road infrastructure projects slated to be paid for by UNP TIF Funds will be ongoing during FYE 2017. First, the construction of enhanced intersection and traffic control facilities at 24th Avenue N.W. and Radius Drive will be installed. Further, improvements to the I-35/Robinson/Crossroads Avenue intersection have been designed and are planned to be constructed during FYWE 2017. UNP TIF funds for this project are expected to be matched by federal and state road improvement funds.

CITY OF NORMAN

Beginning in FYE 14 a 3% (of TIF revenue) charge for administrative costs was expensed as a cost allocation. In FYE 15 this charge was increased to 5%.



Legacy Park Grand Opening, September 2015

CITY OF NORMAN

UNIVERSITY NORTH PARK TAX INCREMENT DISTRICT FUND (57)
STATEMENT OF REVENUES AND EXPENDITURES

	FYE 15 ACTUAL	FYE 16 BUDGET	FYE 16 ESTIMATED	FYE 17 ADOPTED	FYE 18 PROJECTED	FYE 19 PROJECTED	FYE 20 PROJECTED	FYE 21 PROJECTED
1 Beginning Fund Balance	17,515,062	12,779,922	16,548,107	16,835,834	18,419,634	21,882,491	25,325,601	28,748,215
2								
3 Revenues								
4 Sales Tax	4,143,153	3,641,133	3,641,133	3,794,061	3,945,823	4,103,656	4,267,802	4,438,515
5 Sales Tax - Economic Dev	828,630	0	0	0	0	0	0	0
6 Interest Income	12,337	17,500	17,500	17,500	17,500	17,500	17,500	17,500
7 Property Tax	1,180,758	835,000	835,000	835,000	835,000	835,000	835,000	835,000
8 Bond Proceeds	0	0	0	0	0	0	0	0
9 Loan Proceeds	0	0	0	0	0	0	0	0
10 Misc Income	360,320	0	0	0	369,516	385,680	385,680	385,680
11 BID Assessment Receipts	24,679	25,000	50,000	75,000	100,000	125,000	150,000	175,000
12								
13 Subtotal	6,549,877	4,518,633	4,543,633	4,721,561	5,267,839	5,466,836	5,655,982	5,851,695
14								
15 I/F Transf - Capital	0	0	0	0	0	0	0	0
16								
17 Total Revenue	6,549,877	4,518,633	4,543,633	4,721,561	5,267,839	5,466,836	5,655,982	5,851,695
18								
19 Expenditures								
20 Services /Maintenance	6,443	10,171	10,171	11,371	11,485	11,600	11,716	11,833
21 Administration	306,026	224,682	224,682	236,078	239,916	247,808	256,015	264,551
22 BID Expenses	42	116,485	84,819	116,485	119,980	123,579	127,286	131,105
23 Capital Projects	5,643,014	454,767	2,638,457	1,454,983	0	0	0	0
24 Debt Service	1,515,924	1,297,777	1,297,777	1,318,844	1,433,602	1,640,739	1,838,352	1,928,344
25 Audit adjustments	45,383	0	0	0	0	0	0	0
26								
27 Total Expenditures	7,516,832	2,103,882	4,255,906	3,137,761	1,804,983	2,023,725	2,233,369	2,335,832
28								
29 Net Difference	(966,955)	2,414,752	287,727	1,583,800	3,462,856	3,443,111	3,422,614	3,515,862
30								
31 Ending Fund Balance	16,548,107	15,194,674	16,835,834	18,419,634	21,882,491	25,325,601	28,748,215	32,264,077
32								
33 Reserves								
34 Reserved for BID	399,637	170,423	514,818	598,333	678,353	754,774	827,488	896,383
35 Available for Debt Repayment	13,465,000	12,665,000	12,665,000	11,815,000	10,815,000	9,565,000	8,065,000	6,415,000
36 Unreserved	2,683,470	2,359,251	3,656,016	6,006,301	10,389,138	15,005,827	19,855,727	24,952,694
37								
38 Total Reserves	16,548,107	15,194,674	16,835,834	18,419,634	21,882,491	25,325,601	28,748,215	32,264,077
39								
40 Outstanding Debt		12,665,000	12,665,000	11,815,000	10,815,000	9,565,000	8,065,000	6,415,000

**GENERAL DEBT SERVICE FUND
BUDGET
HIGHLIGHTS**

Background

Debt financing allows improvements to be made as the need arises rather than delaying the project until sufficient revenue is accumulated. By using debt financing, the cost of capital improvements can be more equitably distributed to the users of the facility over its expected useful life.

The goal of the City of Norman's debt policy is to maintain the ability to provide essential City services in a cost-effective manner. This goal is balanced with maintaining the ability to borrow at the lowest possible rates. For a project to be soundly financed through the issuance of long-term debt, the City uses the following guidelines:

- Revenue sources that will be used to pay off the debt are conservatively projected
- The financing of the improvement will not exceed its useful life
- The benefits of the improvement must out-weigh its cost, including the interest cost of financing
- Through the application of these policies, the Council rigorously tests the demand for debt financing

Debt financing supports necessary capital projects. These capital projects are integrated into the City's capital improvement plan, which also includes significant pay-as-you-go projects. All capital projects are linked to the services that the City provides to its residents, enterprise customers and visitors.

Outstanding Debt

The following table summarizes the City's outstanding debt as of the year ended June 30, 2015, including debt to be paid by City-operated enterprises.

	Final Maturity	Outstanding Balance	Interest Rate
General Government Debt			
Combined Purpose Bonds of 2005A	June 1, 2025	4,410,000	3.5% - 4.5%
Combined Purpose Bonds of 2007A	June 1, 2027	4,640,000	3.8% - 4.25%
Combined Purpose Bonds of 2008A	Dec. 1, 2018	2,335,000	3.375% - 4.25 %
Combined Purpose Bonds of 2010	Sept. 1, 2015	1,570,000	1% - 1.5%
Combined Purpose Bonds of 2012B	Mar.1, 2017	7,500,000	.5% - 2%
Combined Purpose Bonds of 2012C	Mar.1, 2017	1,535,000	1% - 2%
Combined Purpose Bonds of 2012D	Dec. 1, 2032	18,995,000	2.5% - 3%
Combined Purpose Bonds of 2015	June 1, 2035	<u>22,525,000</u>	0.5% - 4%
Total		\$ 63,510,000	

	Final Maturity	Outstanding Balance	Interest Rate
Tax Increment Authority Debt			
TIF Revenue Note of 2013	Sept. 1, 2023	<u>\$13,465,000</u>	3.81%
Total		\$13,465,000	

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Enterprise Fund Debt	Maturity	Outstanding Balance	Interest Rate
Annual Repayment Installment on Lake Thunderbird (COMCD)	Aug. 2016	\$ 373,687	2.74%
Water Reclamation OWRB SRF Note	Aug. 15, 2015	69,161	.5%
Clean Water OWRB SRF Note	Sept. 15, 2019	1,119,231	.5%
NMA Sanitation Notes	Oct. 1, 2024	2,550,000	3.45%
NMA Recreational Facilities Revenue Bonds Series 200	June 1, 2022	1,135,000	3.5% - 6.125%
Clean Water OWRB SRF Note	*	4,532,516	2.91%
Drinking Water OWRB SRF Note	*	9,678,543	3.28%
Sanitation System Note	Oct. 1, 2018	1,130,000	1.1455%
NMA Loan (Republic Bank)	Nov. 1, 2022	121,306	0%
NUA Clean Water OWRB SRF Note	Sept. 15, 2029	4,051,014	2.25%
NUA Utility Revenue Note, Series 2015	Nov. 1, 2026	17,505,000	2.13%
NMA Sales Tax Revenue Note, Series 2015	Mar. 1, 2027	<u>22,825,000</u>	2.33%
Total		\$65,090,458	
Grand Total			<u>\$142,065,458</u>

*20 years after construction completed

Enterprise fund debt is retired with revenues from the enterprise, and the City's ability to service the debt is measured by the amount of revenue from operations available to pay the amounts due. The following table illustrates historical debt coverage ratios for Water/Wastewater Enterprise revenue debt.

THE CITY OF NORMAN

**PLEDGED REVENUE COVERAGE
NORMAN UTILITIES AUTHORITY
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS)**

FISCAL YEAR	(1) GROSS REVENUE	(2) OPERATING EXPENSES	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENT			(3) COVERAGE RATIO
				PRINCIPAL	INTEREST	TOTAL	
2006	28,405	9,828	18,577	1,300	365	1,665	11.16
2007	33,524	5,663	27,861	1,454	1,063	2,517	11.07
2008	31,428	7,888	23,540	2,153	1,401	3,554	6.62
2009	27,662	13,513	14,149	2,193	1,358	3,551	3.98
2010	33,559	10,873	22,686	2,242	1,251	3,493	6.49
2011	30,345	11,793	18,552	1,807	1,354	3,161	5.87
2012	31,347	14,361	16,986	3,153	1,667	4,820	3.52
2013	31,037	17,001	14,036	3,163	1,430	4,593	3.06
2014	31,562	17,096	14,466	3,150	1,709	4,859	2.98
2015	32,212	14,381	17,831	4,447	2,544	6,991	2.55

- (1) Total revenues (including interest) exclusive of sewer sales and use taxes and capital improvement charges.
(2) Total operating expenses exclusive of depreciation, amortization, Sewer Maintenance Fund expenses, and Sewer Sales Tax and Use Tax Fund expenses.

Source: City of Norman, 2015 Comprehensive Annual Financial Report, p. 119

CITY OF NORMAN

General Government debt is retired with revenues from annual property tax levies unless specific revenue from other sources is dedicated, to the extent available, for debt service. The City's ability to repay this debt is judged on the basis of a combination of factors, including legal debt margin, economic characteristics, governmental organizations, and financial performance. The City's debt capacity is established by Section 26 and 27, Article X of the Oklahoma Constitution. Section 26 limits bonds issued for road or bridge improvements to ten percent (10%) of the net assessed valuation (gross valuation minus homestead) of the City. Section 27 authorizes cities and towns to issue bonds for utilities, broadly defined as anything other than roads and bridges, used by the public. Although the amount of bonds issued under this provision is not specifically limited, debt exceeding 30% of the net assessed valuation would generally affect marketability of the bonds.

Legal Debt Margin - June 30, 2015

Assessed Valuation:	
Net Assessed Value	\$873,553,000
Section 26 limitation:	
10% of net assessed value	\$ 87,355,000
Section 27 limitation:	
30% of net assessed value	\$262,066,000
Debt applicable to limitation:	
Total general bonded debt	\$ 64,196,000
Less amount available for payment	(8,847,000)
Total debt applicable to limitation	\$ 55,349,000
Legal debt margin	\$206,717,000

Source: City of Norman, 2015 Comprehensive Annual Financial Report, p. 118

FYE 17 Budget

The Norman Utilities Authority Water and Wastewater Division's revenues service the five revenue issues, while the Norman Municipal Authority revenues service the Sanitation Equipment Notes and the Recreational Facilities Revenue Bonds. Norman Forward Sales Tax Notes issued by the Norman Municipal Authority are serviced by Norman Forward Sales Tax Revenues. Revenue Bonds issued by the Norman Tax Increment Finance Authority are repaid from sales tax and property taxes generated in the University North Park Development and apportioned to the University North Park Tax Increment Finance District Fund. The following table illustrates the ratio of General Government debt service to total General Government expenditures.

On April 5, 2016, the voters of Norman re-authorized a General Obligation Bond issue for street resurfacing and improvements citywide. This was the third voter renewal of a five-year G.O. Bond program, maintaining the same average ad valorem levy to repay the bonds.

CITY OF NORMAN

GENERAL DEBT SERVICE FUND (60)
STATEMENT OF REVENUES AND EXPENDITURES

	FYE 15 ACTUAL	FYE 16 BUDGET	FYE 16 ESTIMATED	FYE 17 ADOPTED	FYE 18 PROJECTED	FYE 19 PROJECTED	FYE 20 PROJECTED	FYE 21 PROJECTED
1 Beginning Fund Balance	8,951,391	8,951,391	8,839,181	8,261,494	8,226,499	8,183,688	8,105,919	8,014,522
2								
3 Revenues:								
4 Property Tax	10,439,340	10,498,288	10,498,288	10,477,309	5,732,128	5,653,616	4,961,873	4,889,183
5 Interest/Investment Income	39,526	25,000	25,000	25,000	25,000	25,000	25,000	25,000
6 Assessment District-HP	0	0	0	0	0	0	0	0
7								
8 Subtotal	10,478,866	10,523,288	10,523,288	10,502,309	5,757,128	5,678,616	4,986,873	4,914,183
9 I/F Transf - 92 & 95 Bonds	0	0	0	0	0	0	0	0
10 I/F Transf - GF	0	0	0	0	0	0	0	0
11								
12 Total Revenue	10,478,866	10,523,288	10,523,288	10,502,309	5,757,128	5,678,616	4,986,873	4,914,183
13								
14 Expenditures								
15 Principal Payments	8,510,000	8,520,000	8,520,000	8,170,000	3,635,000	3,670,000	3,060,000	3,060,000
16 Interest Payments	1,183,784	1,679,030	1,679,030	1,501,274	1,334,939	1,256,385	1,188,270	1,096,620
17 Agents Fees	4,500	1,545	1,545	5,000	5,000	5,000	5,000	5,000
18 Assessment District-HP	0	0	0	0	0	0	0	0
19 Audit Accruals/Adjustments	(7,607)	0	0	0	0	0	0	0
20								
21 Subtotal	9,690,677	10,200,575	10,200,575	9,676,274	4,974,939	4,931,385	4,253,270	4,161,620
22 I/F Transf - Insurance	900,399	900,400	900,400	861,030	825,000	825,000	825,000	825,000
23 I/F Transf - GF	0	0	0	0	0	0	0	0
24								
25 Total Expenditures	10,591,076	11,100,975	11,100,975	10,537,304	5,799,939	5,756,385	5,078,270	4,986,620
26								
27 Net Difference	(112,210)	(577,687)	(577,687)	(34,995)	(42,811)	(77,769)	(91,397)	(72,437)
28								
29 Ending Fund Balance	8,839,181	8,373,704	8,261,494	8,226,499	8,183,688	8,105,919	8,014,522	7,942,085
30								

**ARTERIAL ROADS RECOUPMENT FUND
BUDGET
HIGHLIGHTS**

Background

Ordinance Number O-9697-31 was passed February 11, 1997, for the purpose of providing for recoupment of costs associated with improvements to arterial roads. Prior to this time, City of Norman policies did not require arterial streets be improved until such time as the abutting property is developed, resulting at times in piecemeal roadways which reduced capacity and safety.

This Ordinance provides that arterial street improvements be made prior to development of abutting properties and that such improvements provide for recoupment of all associated costs from the benefited abutting property at the time the abutting property is improved or developed.

Periodic transfers from the Capital Fund are required since recoupment of costs of a particular arterial street may take place over a period as long as 30 years.

FYE 17 Budget

The FYE 17 Budget shows a beginning fund balance of \$605,248. No expenditures are projected to be made for FYE 17 Capital Projects.

Summary

The Capital Improvements Project Plan, FYE 2017 – 2021 discusses planned recoupment projects in detail.

CITY OF NORMAN

ARTERIAL ROADS RECOUPMENT FUND (78)
STATEMENT OF REVENUES AND EXPENDITURES

	FYE 15 ACTUAL	FYE 16 BUDGET	FYE 16 ESTIMATED	FYE 17 ADOPTED	FYE 18 PROJECTED	FYE 19 PROJECTED	FYE 20 PROJECTED	FYE 21 PROJECTED
1 Beginning Fund Balance	433,574	235,163	605,248	605,248	605,248	605,248	605,248	605,248
2								
3 Revenues								
4 Reimbursements/Interest	171,674	0	0	0	0	0	0	0
5 I/F Transf - Capital Fund	0	0	0	0	0	0	0	0
6								
7 Total Revenues	171,674	0	0	0	0	0	0	0
8								
9 Expenditures								
10 Capital Projects	0	0	0	0	0	0	0	0
11 Audit Adjustments	0	0	0	0	0	0	0	0
12								
13 Total Expenditures	0	0	0	0	0	0	0	0
14								
15 Net Difference	171,674	0	0	0	0	0	0	0
16								
17 Ending Fund Balance	605,248	235,163	605,248	605,248	605,248	605,248	605,248	605,248

**RETIREMENT SYSTEMS
BUDGET
HIGHLIGHTS**

The City of Norman contributes to three separate retirement systems on behalf of City employees.

- Norman Employees Retirement System;
- Oklahoma Firefighters Pension and Retirement System;
- Oklahoma Police Pension and Retirement System.

Each of these retirement systems is administered by entities other than the City of Norman and as a result the City does not exercise budgetary control. Therefore, they are not included in the FYE 16 Budget as separate funds of the City. It should be noted that the costs of contributions to the systems appear as a part of salaries and benefit category of expenditure in every operating fund of the City.

Employee Retirement System

The Employee Retirement System (the "Plan") of the City of Norman is a single-employer public retirement system, which was established on November 1, 1967, by a City ordinance and amended on January 29, 1985 and July 1, 1991. The Plan was a defined benefit pension plan to which the City and employees contributed. The July 1, 1991, amendment converted that portion of the Plan which relates to non-retired participants to a money purchase defined contribution plan under section 414 (h) of the Internal Revenue Code (the "New Plan"). For active employees as of July 1, 1991, an amount equal to the greater of the participants' vested benefits under the Plan or their account balance in the Plan was transferred to a participant account in the New Plan.

A Board of Trustees, composed of six members, meeting at least quarterly, manages the New Plan. Members by position include the City Manager or a designee, Finance Director, and Human Resources Director. The City Council elects one additional member, and the American Federation of State, County, and Municipal Employees (AFSCME) union membership elects the final two members. All active employees who participate in the New Plan contribute 6.5 percent of their base pay and the City contributes 8.5 percent of member's payroll to the New Plan.

The Plan will remain in existence to pay benefits to those retired employees receiving benefits at July 1, 1991. As of April 11, 2016, the Plan included 8 retirees and other beneficiaries.

Oklahoma Firefighters Pension and Retirement System

The Oklahoma Firefighters Pension and Retirement System (OFPRS) cover uniformed members of the City's Fire Department, which is a cost sharing multiple-employer public employee retirement system. All full-time firefighters, who are hired before age 45, are eligible to participate in the system. The pension plan provides pension benefits as well as death and disability benefits.

Members of the firefighter's retirement system are required to pay 8% of their base pay to the pension plan. By State Statute, the City contributes 14% of member's payroll to the OFPRS.

Oklahoma Police Pension and Retirement System

The Oklahoma Police Pension and Retirement System (OPPRS) cover uniformed members of the City's Police Department, which is a cost sharing multiple-employer, public-employee retirement system. Police officers employed in participating municipalities are required to participate in the system, provided they meet certain requirements. Police officers are required to pass physical and medical examinations and must be not less than 21 or more than 35 years of age when accepted for initial membership. Members of the police retirement system are required to pay 8% of their base pay to the pension plan. By State Statute, the City contributes 13% of member's payroll to the OPPRS.



GENERAL FUND

CITY OF NORMAN

GENERAL OPERATING FUND

The General Fund is the general operating fund of the City. This Fund is used to account for all financial resources except those required to be accounted for in another fund.

CITY OF NORMAN

FUND SUMMARY**TOTAL GENERAL FUND (10)****MISSION:**

The General Fund is the general operating fund of the City. This Fund is used to account for all financial resources except those required to be accounted for in another fund.

DESCRIPTION:

The General Fund accounts for all current financial resources not required by law or administrative action to be accounted for in another fund.

PERSONNEL:

	FYE 15 ACTUAL	FYE 16 ORIGINAL	FYE 16 REVISED	FYE 16 ESTIMATE	FYE 17 ADOPTED
Full-time Positions	581	587	590	590	593
Part-time Positions	26	24	22	22	23
Total Budgeted Positions	607	611	612	612	616

EXPENDITURES:

	FYE 15 ACTUAL	FYE 16 ORIGINAL	FYE 16 REVISED	FYE 16 ESTIMATE	FYE 17 ADOPTED
Salaries & Benefits	51,374,456	52,860,771	52,830,051	52,833,001	55,928,280
Supplies & Materials	5,305,915	6,195,149	6,349,640	6,367,239	5,224,590
Services & Maintenance	7,685,146	10,660,917	11,317,167	11,292,591	9,739,935
Internal Services	3,538,686	3,474,872	3,474,940	3,474,932	2,964,278
Capital Equipment	2,636,755	3,422,735	5,263,334	5,211,911	4,216,347
Subtotal	70,540,958	76,614,444	79,235,132	79,179,674	78,073,430
Capital Projects	0	0	0	0	0
Cost Allocations	0	0	0	0	0
Debt Service	17,082	20,000	133,439	133,439	0
Interfund Transfers	436,158	0	0	2,599,094	588,500
Audit Adjust/Encumbrances	212,569	0	0	0	0
Subtotal	665,809	20,000	133,439	2,732,533	588,500
Fund Total	71,206,767	76,634,444	79,368,571	81,912,207	78,661,930

OFFICE OF THE CITY CLERK

18 EMPLOYEES

CITY CLERK (1)

ADMINISTRATIVE CLERICAL SERVICE (5)

- Deputy City Clerk (1)
- Administrative Technician IV (2)
- Administrative Technician III (2)

FACILITY MAINTENANCE (6)

- Facility Maintenance Superintendent (1)
- Administrative Technician II (1)
- Tradesworker - Electrician (2)
- Tradesworker - Heat And Air (1)
- Tradesworker - Plumber (1)

CUSTODIAL SERVICES (6)

- Custodial Coordinator (1)
- FT Custodian (1)
- PT Custodian (4)

DEPARTMENT SUMMARY

TOTAL CITY CLERK

MISSION:

To serve the citizens and employees of Norman effectively and efficiently providing informed and courteous written, verbal, and electronic communication in response to requests for records, licenses, information or assistance. Provides a safe, productive, and comfortable environment for the employees and citizens of Norman.

DESCRIPTION:

- Official custodian of all records belonging to the City
 - maintains books properly indexed and open to the public for inspection
 - maintains separate books for ordinances, resolutions, and actions of the Council
- City Clerk serves as clerk to the Council
 - attends all Council meetings
 - maintains a record of the proceedings
 - signs and attests all ordinances, resolutions, and other acts of the Council
- Processes applications and monitors the City Boards, Commissions, and Committees
- Issues City licenses
- Prepares City Council agendas and minutes
- Operates the City's Action Center
- Provides clerical administrative support for the Facility Maintenance Division
- Provides clerical administrative support for the City Council
- Administers Municipal campaign contribution and expenditure reports to ensure their compliance with City and State law
- Programs special announcements and meeting notices on the City's cable access channel
- Programs various City meetings for rebroadcast on the City's cable access channel
- Maintains quality maintenance for all City buildings, ball fields, tennis courts, water wells, lift stations, and storm sirens
- Administers repair and renovation projects for City facilities

PERSONNEL:

	FYE 15 ACTUAL	FYE 16 ORIGINAL	FYE 16 REVISED	FYE 16 ESTIMATE	FYE 17 ADOPTED
Full-time Positions	13	14	14	14	14
Part-time Positions	4	4	4	4	4
Total Budgeted Positions	<u>17</u>	<u>18</u>	<u>18</u>	<u>18</u>	<u>18</u>

EXPENDITURES:

	FYE 15 ACTUAL	FYE 16 ORIGINAL	FYE 16 REVISED	FYE 16 ESTIMATE	FYE 17 ADOPTED
Salaries & Benefits	943,980	1,050,575	1,050,575	1,050,575	1,113,080
Supplies & Materials	97,895	112,836	113,036	113,036	107,851
Services & Maintenance	197,287	265,081	270,630	270,630	233,131
Internal Services	26,740	27,741	27,741	25,610	25,893
Capital Equipment	5,734	14,145	78,190	78,190	7,000
Subtotal	<u>1,271,636</u>	<u>1,470,378</u>	<u>1,540,172</u>	<u>1,538,041</u>	<u>1,486,955</u>
Department Total	<u>1,271,636</u>	<u>1,470,378</u>	<u>1,540,172</u>	<u>1,538,041</u>	<u>1,486,955</u>

DIVISION SUMMARY

010-2020 CITY CLERK

MISSION:

To serve the citizens and employees of Norman effectively and efficiently providing informed and courteous written, verbal, and electronic communication in response to requests for records, licenses, information or assistance.

DESCRIPTION:

- Official custodian of all records belonging to the City
 - maintains books properly indexed and open to the public for inspection
 - maintains separate books for ordinances, resolutions, and actions of the Council
- City Clerk serves as clerk to the Council
 - attends all Council meetings
 - maintains a record of the proceedings
 - signs and attests all ordinances, resolutions, and other acts of the Council
- Processes applications and monitors the City Boards, commissions, and Committees
- Issues City licenses
- Prepares City Council agendas and minutes
- Operates the City's Action Center
- Provides clerical administrative support for the Facility Maintenance Division
- Provides clerical administrative support for the City Council
- Administers Municipal campaign revenue and expenditure reports to ensure their compliance with City and State law
- Programs special announcements and meeting notices on the City's cable access channel
- Programs various City meetings for rebroadcast on the City's cable access channel

PERSONNEL:

	FYE 15 ACTUAL	FYE 16 ORIGINAL	FYE 16 REVISED	FYE 16 ESTIMATE	FYE 17 ADOPTED
Full-time Positions	6	6	6	6	6
Part-time Positions	0	0	0	0	0
Total Budgeted Positions	6	6	6	6	6

EXPENDITURES:

	FYE 15 ACTUAL	FYE 16 ORIGINAL	FYE 16 REVISED	FYE 16 ESTIMATE	FYE 17 ADOPTED
Salaries & Benefits	450,745	458,916	458,916	458,916	497,101
Supplies & Materials	4,855	6,378	6,378	6,378	6,378
Services & Maintenance	75,826	98,540	99,139	99,139	77,566
Internal Services	12,346	15,114	15,114	13,906	13,810
Capital Equipment	0	4,900	4,900	4,900	0
Subtotal	543,772	583,848	584,447	583,239	594,855
Division Total	543,772	583,848	584,447	583,239	594,855

DIVISION SERVICE EFFORTS AND ACCOMPLISHMENTS

CITY CLERK

GOALS:

To enhance customer service by:

- providing error free City Council agendas and minutes in a timely manner
- increase the number of documents provided electronically
- program City meetings for rebroadcast, special announcements, and meeting notices on the cable access channel
- responding to citizens requests through the Action Center

OBJECTIVES:

- Maintain records of the City so they are easily accessible to internal and external customers.
- Maintain records of licenses and permits so businesses are inspected and properly licensed.
- Coordinate and process requests for special events and festivals within the City.
- Prepare City Council minutes and agendas to keep Council and the public informed of the City's business.
- Provide clerical support to the City Council and assist them in resolving citizen complaints.
- Provide efficient and effective assistance to citizens by telephone, written communication, and personal contact.
- Provide responses to citizens through the Action Center with cooperation from all City departments.

PERFORMANCE MEASUREMENTS - RESULTS REPORT:

	FYE 14 ACTUAL	FYE 15 ACTUAL	FYE 16 PLAN	FYE 16 ESTIMATE	FYE 17 PROJECTED
PERFORMANCE INDICATORS:					
Percentage of requests for files maintained in Central Files processed within 24 hours	95%	95%	99%	95%	99%
Percentage of licenses issued while applicant waits	99%	99%	99%	99%	99%
Percent of agendas provided to City Council five days in advance of the meeting	100%	100%	100%	100%	99%
Percentage of Council items indexed and distributed within 3 days of Council action.	100%	100%	100%	100%	100%
Percentage of minutes prepared within 3 days of Council meeting	95%	95%	95%	80%	90%
Percentage of minutes requiring correction	1%	1%	1%	1%	1%
Percent of responses to citizens by the next working day from Action Center personnel	98%	98%	98%	98%	98%
Number of special events and festival permits issued	15	15	15	18	15

DIVISION SUMMARY**010-2030 FACILITIES MAINTENANCE ADMINISTRATION****MISSION:**

- Provide administrative and technical support to the Facilities Maintenance Division.
- Assist and provide technical support to all departments and divisions.

DESCRIPTION:

- Provide quality maintenance and repair services for all City facilities, insure quality custodial and warehouse supplies service.
- Supervise Division operations, write specifications and contracts for outside services and act as Project Manager representing the City of Norman.
- Provide technical and administrative support to this Department and assist all departments and divisions throughout the City.

PERSONNEL:

	FYE 15 ACTUAL	FYE 16 ORIGINAL	FYE 16 REVISED	FYE 16 ESTIMATE	FYE 17 ADOPTED
Full-time Positions	1	2	2	2	2
Part-time Positions	0	0	0	0	0
Total Budgeted Positions	1	2	2	2	2

EXPENDITURES:

	FYE 15 ACTUAL	FYE 16 ORIGINAL	FYE 16 REVISED	FYE 16 ESTIMATE	FYE 17 ADOPTED
Salaries & Benefits	32,306	84,104	84,104	84,104	88,766
Supplies & Materials	3,156	2,757	2,857	2,857	1,960
Services & Maintenance	27,900	44,702	50,132	50,132	34,206
Internal Services	2,651	2,502	2,502	2,110	2,674
Capital Equipment	1,649	3,375	3,375	3,375	0
Subtotal	67,662	137,440	142,970	142,578	127,606
Capital Projects	0	0	0	0	0
Cost Allocations	0	0	0	0	0
Debt Service	0	0	0	0	0
Interfund Transfers	0	0	0	0	0
Subtotal	0	0	0	0	0
Division Total	67,662	137,440	142,970	142,578	127,606

DIVISION SERVICE EFFORTS AND ACCOMPLISHMENTS

FACILITY MAINTENANCE ADMINISTRATION

GOALS:

- Implement a facility maintenance software program for work orders, preventive maintenance, capital improvements, and utility tracking costs.
- Create a comprehensive assessment of the present condition of City facilities for immediate and future repair and replacement of equipment and maintenance.
- Reduce repeat calls for the same repair work by instituting a program that emphasizes long term solution versus temporary repairs.
- Incorporate sustainable energy and equipment practices.
- Plan and schedule staff for optimal operation of repair and maintenance of City facilities.
- Provide enough resource to the division to accomplish the mission.

OBJECTIVES:

- Plan and accomplish work, anticipate problems, become proactive instead of reactive.

PERFORMANCE MEASUREMENTS - RESULTS REPORT:

	FY 14 ACTUAL	FY 15 ACTUAL	FY 16 PLAN	FY 16 ESTIMATE	FY 17 PROJECTED
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PERFORMANCE INDICATORS:

Response time to emergency repair measured in less than 4 hours	95%	95%	95%	98%	95%
-----------------------------------------------------------------	-----	-----	-----	-----	-----

Percentage of repeat calls for same problem	10%	10%	10%	7%	10%
---------------------------------------------	-----	-----	-----	----	-----

Notes to Results Report:

Implementation of new software program in FYE 14 will allow for more accurate measurements for Division.

DIVISION SUMMARY**010-2031 FACILITY CUSTODIAL SERVICES****MISSION:**

- Provide a safe, clean environment for the employees and citizens of Norman.

DESCRIPTION:

- Oversee in-house custodial services, operate, stock, and dispense cleaning supplies from warehouse to all City facilities, perform custodial, setup work, and general repair duties as required.
- Provide custodial supplies for departments and divisions through the City of Norman.
- Perform custodial setup work as needed.
- Conduct general repairs.

PERSONNEL:

	FYE 15 ACTUAL	FYE 16 ORIGINAL	FYE 16 REVISED	FYE 16 ESTIMATE	FYE 17 ADOPTED
Full-time Positions	2	2	2	2	2
Part-time Positions	4	4	4	4	4
Total Budgeted Positions	6	6	6	6	6

EXPENDITURES:

	FYE 15 ACTUAL	FYE 16 ORIGINAL	FYE 16 REVISED	FYE 16 ESTIMATE	FYE 17 ADOPTED
Salaries & Benefits	126,566	166,456	166,456	166,456	177,211
Supplies & Materials	31,771	41,041	41,480	41,480	40,837
Services & Maintenance	21,540	400	400	400	400
Internal Services	1,805	1,739	1,739	1,781	1,598
Capital Equipment	0	3,000	3,723	3,723	7,000
Subtotal	181,682	212,636	213,798	213,840	227,046
Capital Projects	0	0	0	0	0
Cost Allocations	0	0	0	0	0
Debt Service	0	0	0	0	0
Interfund Transfers	0	0	0	0	0
Subtotal	0	0	0	0	0
Division Total	181,682	212,636	213,798	213,840	227,046

DIVISION SERVICE EFFORTS AND ACCOMPLISHMENTS

FACILITY CUSTODIAL SERVICES

GOALS:

- Plan and coordinate custodial functions with minimal disruption during working hours.
- Implement an inventory control system for custodial supplies.

OBJECTIVES:

- Monitor custodial work in Municipal Complex and the library to make sure a high degree of building cleanliness is provided.
- Monitor supplies dispensed to make sure waste is at a minimum.

PERFORMANCE MEASUREMENTS - RESULTS REPORT:

	FYE 14 ACTUAL	FYE 15 ACTUAL	PLAN	FYE 16 ESTIMATE	FYE 17 PROJECTED
PERFORMANCE INDICATORS:					
Percentage of time needed products are available	100%	99%	95%	95%	98%
Percentage of time inventory is adequate	100%	95%	100%	100%	100%
Percentage of time the above-referenced City facilities' janitorial needs are well maintained	85%	85%	100%	90%	100%

CITY OF NORMAN**DIVISION SUMMARY**

010-2032 FACILITY MAINTENANCE

MISSION:

- Safely accomplish tasks in a neat and workmanship like manner at a high level of competence and productivity while performing maintenance repair to City facilities.

DESCRIPTION:

- Responsible for maintenance and repair of City facilities.
- Maintain a high level of quality repair and maintenance for 67 City buildings, 10 accessory buildings, 36 restrooms, 41 ball fields, 17 tennis courts, 38 water wells, 37 storm sirens, 17 lift stations, 6 trash compactors, water and wastewater plants, etc.

PERSONNEL:

	FYE 15 ACTUAL	FYE 16 ORIGINAL	FYE 16 REVISED	FYE 16 ESTIMATE	FYE 17 ADOPTED
Full-time Positions	4	4	4	4	4
Part-time Positions	0	0	0	0	0
Total Budgeted Positions	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

EXPENDITURES:

	FYE 15 ACTUAL	FYE 16 ORIGINAL	FYE 16 REVISED	FYE 16 ESTIMATE	FYE 17 ADOPTED
Salaries & Benefits	334,361	341,099	341,099	341,099	350,002
Supplies & Materials	58,114	62,660	62,321	62,321	58,676
Services & Maintenance	20,928	29,324	28,844	28,844	28,844
Internal Services	9,938	8,386	8,386	7,813	7,811
Capital Equipment	4,085	2,870	66,192	66,192	0
Subtotal	<u>427,426</u>	<u>444,339</u>	<u>506,842</u>	<u>506,269</u>	<u>445,333</u>
Capital Projects	0	0	0	0	0
Cost Allocations	0	0	0	0	0
Debt Service	0	0	0	0	0
Interfund Transfers	0	0	0	0	0
Subtotal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Division Total	<u>427,426</u>	<u>444,339</u>	<u>506,842</u>	<u>506,269</u>	<u>445,333</u>

DIVISION SERVICE EFFORTS AND ACCOMPLISHMENTS

FACILITY MAINTENANCE

GOALS:

- Provide quality maintenance and repair service to City facilities.
- Assist all City departments and divisions in new and remodel projects.
- Accomplish work in a timely manner.
- Provide technical assistance to management to make informed decisions.
- Work in a safe and Code compliant manner.

OBJECTIVES:

- Plan and accomplish work, anticipate problems, become proactive instead of reactive.

PERFORMANCE MEASUREMENTS - RESULTS REPORT:

	FYE 14 ACTUAL	FYE 15 ACTUAL	FYE 16 PLAN	FYE 16 ESTIMATE	FYE 17 PROJECTED
Percentage of completed assessment of City facilities	40%	40%	40%	45%	50%
Percentage of call backs for same problem	25%	25%	15%	10%	10%
Percentage of sustainable energy and equipment projects implemented through City facilities	30%	40%	45%	50%	60%

DIVISION SUMMARY

010-2095 MUNICIPAL ELECTIONS

MISSION:

Pursuant to Article II, Sections 5 and 6, of the Charter of the City of Norman, funds are budgeted to pay for City Council elections and any special elections that are anticipated. City Council Primary elections are held on the third Tuesday of March and General Elections are held on the second Tuesday of April, and Special Elections are held on an as-needed basis.

DESCRIPTION:

The City Clerk's office maintains the Municipal Election funds, which pay for City Council elections and any special elections; makes certain that all required notification is given to the Election Board in a timely manner; and makes certain that all legal notices are served in a timely manner.

PERSONNEL:

	FYE 15 ACTUAL	FYE 16 ORIGINAL	FYE 16 REVISED	FYE 16 ESTIMATE	FYE 17 ADOPTED
Full-time Positions	0	0	0	0	0
Part-time Positions	0	0	0	0	0
Total Budgeted Positions	0	0	0	0	0

EXPENDITURES:

	FYE 15 ACTUAL	FYE 16 ORIGINAL	FYE 16 REVISED	FYE 16 ESTIMATE	FYE 17 ADOPTED
Salaries & Benefits	0	0	0	0	0
Supplies & Materials	0	0	0	0	0
Services & Maintenance	51,093	92,115	92,115	92,115	92,115
Internal Services	0	0	0	0	0
Capital Equipment	0	0	0	0	0
Subtotal	51,093	92,115	92,115	92,115	92,115
Capital Projects	0	0	0	0	0
Cost Allocations	0	0	0	0	0
Debt Service	0	0	0	0	0
Interfund Transfers	0	0	0	0	0
Subtotal	0	0	0	0	0
Division Total	51,093	92,115	92,115	92,115	92,115

DEPARTMENT SUMMARY

TOTAL CITY COUNCIL

MISSION:

The mission of the City Council of Norman is to promote a community of excellence with effective, efficient, and responsive services which promote the health, safety, and general well-being of the citizens. The City Council encourages group and individual initiatives that create social and physical environments of high quality.

DESCRIPTION:

The City Council is the legislative and governing body of City government. All legislative powers, except the initiative and referendum, are vested in the City Council. The City Council consists of a Mayor elected at large and eight Council members elected from and by the registered voters of the respective wards of the City. The Mayor shall preside at all meetings of the Council and shall perform in addition to his/her legislative duties such ceremonial duties as are necessary in the conduct of the City's business.

PERSONNEL:

	FYE 15 ACTUAL	FYE 16 ORIGINAL	FYE 16 REVISED	FYE 16 ESTIMATE	FYE 17 ADOPTED
Full-time Positions	0	0	0	0	0
Part-time Positions	0	0	0	0	0
Total Budgeted Positions	0	0	0	0	0

EXPENDITURES:

	FYE 15 ACTUAL	FYE 16 ORIGINAL	FYE 16 REVISED	FYE 16 ESTIMATE	FYE 17 ADOPTED
Salaries & Benefits	46,300	51,627	51,627	51,627	11,620
Supplies & Materials	10,195	18,475	18,469	18,469	17,425
Services & Maintenance	1,056,693	2,551,104	1,845,620	1,844,743	2,129,273
Internal Services	29,807	44,064	44,064	37,257	44,491
Capital Equipment	0	5,400	23,214	23,214	0
Subtotal	1,142,995	2,670,670	1,982,994	1,975,310	2,202,809
Capital Projects	0	0	0	0	0
Cost Allocations	0	0	0	0	0
Debt Service	0	0	0	0	0
Interfund Transfers	0	0	0	0	0
Subtotal	0	0	0	0	0
Department Total	1,142,995	2,670,670	1,982,994	1,975,310	2,202,809

DIVISION SUMMARY

010-1001 CITY COUNCIL

GOALS:

The mission of the City Council of Norman is to promote a community of excellence with effective, efficient, and responsive services which promote the health, safety, and general well-being of the citizens. The City Council encourages group and individual initiatives that create social and physical environments of high quality.

OBJECTIVES:

The City Council is the legislative and governing body of City government. All legislative powers, except the initiative and referendum, are vested in the City Council. The City Council consists of a Mayor elected at large and eight Council members elected from and by the registered voters of the respective wards of the City. The Mayor shall preside at all meetings of the Council and shall perform in addition to his/her legislative duties such ceremonial duties as are necessary in the conduct of the City's business.

The FYE 17 General Fund allocation to the City Council includes funding in the amount of \$966,600 to several outside agencies providing beneficial services to the entire Norman community. These agencies include:

Campus Area Rapid Transit (CART) - \$585,500
 Norman Economic Development Coalition (NEDC) - \$125,000
 Center for Children & Families, Inc. (CCFI) - \$100,000
 Association of Central Oklahoma Governments (ACOG) – Membership – \$64,200
 Oklahoma Municipal League (OML) – Membership - \$65,000
 Kiwanis Kruiser - \$14,500
 Great American West/89er Day Parade - \$5,000
 Performing Arts Studio - \$7,000
 Veterans Day Parade - \$400

PERSONNEL:

	FYE 15 ACTUAL	FYE 16 ORIGINAL	FYE 16 REVISED	FYE 16 ESTIMATE	FYE 17 ADOPTED
Full-time Positions	0	0	0	0	0
Part-time Positions	0	0	0	0	0
Total Budgeted Positions	0	0	0	0	0

EXPENDITURES:

	FYE 15 ACTUAL	FYE 16 ORIGINAL	FYE 16 REVISED	FYE 16 ESTIMATE	FYE 17 ADOPTED
Salaries & Benefits	46,300	51,627	51,627	51,627	11,620
Supplies & Materials	10,195	17,475	17,469	17,469	16,425
Services & Maintenance	912,439	2,376,104	1,664,874	1,663,997	1,954,273
Internal Services	29,807	44,064	44,064	37,257	44,491
Capital Equipment	0	5,400	23,214	23,214	0
Subtotal	998,741	2,494,670	1,801,248	1,793,564	2,026,089
Division Total	998,741	2,494,670	1,801,248	1,793,564	2,026,809

*FYE 17 includes a 2% Emergency Reserve of \$944,031 and FYE 16 included a 2% Emergency Reserve of \$1,419,837.

DIVISION SUMMARY**010-1098 SISTER CITIES PROGRAM****MISSION:**

To establish, maintain and coordinate international relationships of economic, cultural and educational activities.

DESCRIPTION:

The Sister Cities Program is composed of citizen volunteers who establish goals and objectives for the program. The program also encourages and facilitates sister city relationships for Norman with cities outside the United States. Norman has four Sister Cities: Clermont-Ferrand, France; Colima, Mexico; Sieka Town, Japan; and Arezzo, Italy.

PERSONNEL:

	FYE 15 ACTUAL	FYE 16 ORIGINAL	FYE 16 REVISED	FYE 16 ESTIMATE	FYE 17 ADOPTED
Full-time Positions	0	0	0	0	0
Part-time Positions	0	0	0	0	0
Total Budgeted Positions	0	0	0	0	0

EXPENDITURES:

	FYE 15 ACTUAL	FYE 16 ORIGINAL	FYE 16 REVISED	FYE 16 ESTIMATE	FYE 17 ADOPTED
Salaries & Benefits	0	0	0	0	0
Supplies & Materials	0	1,000	1,000	1,000	1,000
Services & Maintenance	0	0	0	0	0
Internal Services	0	0	0	0	0
Capital Equipment	0	0	0	0	0
Subtotal	0	1,000	1,000	1,000	1,000
Capital Projects	0	0	0	0	0
Cost Allocations	0	0	0	0	0
Debt Service	0	0	0	0	0
Interfund Transfers	0	0	0	0	0
Subtotal	0	0	0	0	0
Division Total	0	1,000	1,000	1,000	1,000

DIVISION SUMMARY

010-1087 SOCIAL AND VOLUNTARY SERVICES

MISSION:

The mission of Social and Voluntary Services is to provide quality social and voluntary services to the citizens of Norman. Also, to coordinate those services designed to prevent, alleviate or contribute to the solution of recognized social problems, and to improve the well-being of individuals, groups and the community.

DESCRIPTION:

The Social and Voluntary Services Commission acts in an advisory capacity to the City Council with specific attention to the evaluation and coordination of social and voluntary services in, but not limited to, the following areas: Arts and Humanities, community goals analysis and evaluation, health and mental health, income security, information referral, senior citizens and youth.

PERSONNEL:

	FYE 15 ACTUAL	FYE 16 ORIGINAL	FYE 16 REVISED	FYE 16 ESTIMATE	FYE 17 ADOPTED
Full-time Positions	0	0	0	0	0
Part-time Positions	0	0	0	0	0
Total Budgeted Positions	0	0	0	0	0

EXPENDITURES:

	FYE 15 ACTUAL	FYE 16 ORIGINAL	FYE 16 REVISED	FYE 16 ESTIMATE	FYE 17 ADOPTED
Salaries & Benefits	0	0	0	0	0
Supplies & Materials	0	0	0	0	0
Services & Maintenance	144,254	175,000	180,746	180,746	175,000
Internal Services	0	0	0	0	0
Capital Equipment	0	0	0	0	0
Subtotal	144,254	175,000	180,746	180,746	175,000
Capital Projects	0	0	0	0	0
Cost Allocations	0	0	0	0	0
Debt Service	0	0	0	0	0
Interfund Transfers	0	0	0	0	0
Subtotal	0	0	0	0	0
Division Total	144,254	175,000	180,746	180,746	175,000