

FINANCE COMMITTEE MINUTES

September 17, 2020

The City Council Finance Committee of the City of Norman, Cleveland County, State of Oklahoma, met virtually at 4:00 pm in the Municipal Building Executive Conference Room on the 17th day of September, 2020, and notice and agenda of the meeting were posted in the Municipal Building at 201 West Gray and the Norman Public Library at 225 North Webster 24 hours prior to the beginning of the meeting.

PRESENT: Mayor Clark, Members Foreman, Nash, and Peacock

ABSENT: Member Bierman

OTHERS PRESENT: City Council Member Hall
Darrel Pyle, City Manager
Anthony Francisco, Director of Finance
Kathryn Walker, City Attorney
Kim Coffman, Budget Manager
Jacob Huckabaa, Budget Technician
Chris Mattingly, Director of Utilities
Shawn O'Leary, Director of Public Works
Ronda Guerrero, Municipal Court Clerk
Gala Hicks, Director of Human Resources
Kevin Foster, Chief of Police
Tim Powers, Director of Information Technology
Bryce Holland, Multimedia Specialist
Dan Schemm, Visit Norman
Erin Gavaghan, Norman Arts Council

Item 1, being:

DISCUSSION REGARDING THE FYE 2020 CLOSE OUT.

Anthony Francisco stated that the General Fund began FYE 20 with an actual fund balance of \$8,281,000. We had actual sales tax revenue in the General Fund of \$41,203,000. That was well below what we budgeted for in FYE 2020, which was due to COVID 19. Use tax in the General Fund was \$6.7 million, which was very strong. Franchise fee revenue was \$6.5 million. The Transportation Fund refunded the funding of the transit service in the amount of \$2.3 million to the General Fund. This left about \$3 million in funding from the General Fund for the transit service. The UNP TIF Fund paid back about \$1 million to the General Fund in over-apportionment after the apportionment was ended. In all, we recorded \$82 million in revenue to the General Fund, which was very close to what we budgeted.

On the expenditure side, we actually paid out for salaries and benefits from the General Fund \$57,323,000, which is \$600,000 under what was budgeted. We ended up subsidizing the Westwood Golf Course \$280,000, which was well under the budget of \$575,000. We budgeted for a subsidy to the PSST Fund of \$1.1 million, and actual subsidized \$1.52 million. This Fund

Item 1, continued:

does not cover its expenditures any longer, and it will only become costlier to the General Fund. The General Fund spent \$3 million more than what we brought in during FYE 20.

The "Rainy Day" Fund in FYE20 started with \$3,794,419 and closed with \$3,889,000. This exceeds the minimum required balance, but is short of our 5% balance target level.

The PSST Fund started the fiscal year with a balance of \$10.4 million, but this was due to outstanding bond revenue that is for the radio communications system and the EOC building. We brought in \$9.4 million in revenue. Use tax for the PSST Fund is pretty much on budget for the fiscal year, but sales tax collection took a hit due to COVID 19. The expenditures were \$14.2 million, most of which was for capital equipment.

Our Room Tax Fund came in about 35% below budget for the fiscal year, due to COVID 19. This in turn caused the City to have to reduce the payments to the NCVB by over \$100,000, but even with that we still overspent our Room Tax revenue by \$325,000. Francisco states that he advises to cut the Room Tax revenue estimate in half due to the home football games only being allowed at 25% capacity.

The Westwood Fund closed last fiscal year with a balance of \$70,848, of which \$70,000 is reserved for pool capital replacement. We did not budget for this subsidy for the coming fiscal year.

We did not budget for an increase in the water rate. The Water Fund has a balance of \$9 million but is budgeted to end the fiscal year with a balance of \$2 million, due to capital projects.

The Norman Forward Fund was budgeted for \$9.6 million in fiscal year 20, and actual revenue was \$9.4 million. We budgeted for \$650,000 in use tax revenue, and brought in \$1 million. We were over our budgeted revenue in this fund, and we are continuing the projects. We estimate that the third issuance will be around \$23 million instead of the original estimate of \$38 million.

The University North Park TIF Fund ended fiscal year 20 with sales tax revenue estimates of \$2.2 million and \$450,000 of economic development sales tax. We closed the last fiscal year with a fund balance of \$17.7 million, of which about \$500,000 is reserved for BID contributions.

Mayor Clark asked everyone on the Zoom call to shop local in order to help our City budget.

* * * * *

Item 2, being:

DISCUSSION REGARDING THE FYE 2022 BUDGET CALENDAR AND PROCESS

No discussion at this time.

* * * * *

Item 3, being:

SUBMISSION OF THE REVENUE/EXPENDITURE REPORTS

No discussion at this time.

Items submitted for the record:

1. Summary of Major Fund Revenue Sources vs. Budget FYE 2021 as of August 31, 2020
2. Summary of Major Fund Expenditures vs. Budget FYE 2021 as of August 31, 2020
3. Appropriations from Fund Balance FYE 21
4. General Fund Transfers over \$50,000 between Expenditure Categories FYE 21 August 2020
5. Norman Forward Sales Tax Financial Reports
6. Inter-City Sales Tax Growth Comparison

* * * * *

Item 4, being:

SUBMISSION OF THE REPORT ON OPEN POSITIONS

No discussion at this time.

* * * * *

Item 5, being:

MISCELLANEOUS COMMENTS

No discussion at this time.

* * * * *

ATTEST:


City Clerk


Mayor

