

Fund Structure and Budget Reform Committee Minutes

Special Meeting

August 7, 2025

Staff Present: Katy King, Randy Entz, Christy Batterson, Julianna McCullough, Madeline Sawyer, Madison Smith, Matt Newcomb, Ethan Davis, Sheila Briesch

1. Call to Order

Committee Chair, Mark Nash, called the special meeting of the Fund Structure and Budget Reform Committee to order at 8:00 A.M., Thursday, August 7, 2025, in the Main Street Conference Room A&B located at 22 E. Main St. in Edmond, Oklahoma. The agenda for this meeting was posted in the City First Administration Building on August 4, 2025, at 4:10 P.M.

Members Present: Mark Nash, Preston Watterson, Jill Castilla, Cody Boyd, Taylor Wilson, Rick McCune, Ex-Officio Kathy Panas, Ex-Officio Ross VanderHamm

Members Absent: Laura Sheriff

2. Introduction of Members and Purpose of Committee

All present board members went around and introduced themselves. Staff at the table, which were Kathy Panas and Ross VanderHamm also introduced themselves. Chairman Nash then spoke to the purpose of the Committee. He said that it was developed for the specific purpose of looking at the fund structure and budget processes of the of the City. Noted was the makeup of the Committee which includes all Finance/Audit Committee members and three citizen appointments.

3. Presentation and Discussion of Board Member Policies and Procedures as Outlined in the City of Edmond Boards & Commissions Members' Manual.

Katy King, Assistant to City Council, gave a presentation over the boards and commissions members' manual. No questions were asked following the presentation.

4. Discussion, Consideration and Election of the Chairperson

Motion by Preston Watterson, seconded by Jill Castilla to appoint Mark Nash as Chairperson to the Fund Structure and Budget Reform Committee.

Motion passed unanimously.

5. Discussion, Consideration and Election of the Vice-Chairperson

Motion by Rick McCune, seconded by Preston Watterson to appoint Taylor Wilson as Vice-Chairperson to the Fund Structure and Budget Reform Committee.

Motion passed unanimously.

6. Discussion and Consideration of Meeting Dates, Times, and Locations for Upcoming Fund Structures and Budget Reform Committee Meetings.

Chairperson Nash said that the framework is to try and have a recommendation back to City Council in/by December of this year. The committee agreed that Thursday mornings would continue to work best, and recommended meeting on the second and fourth Thursdays of the month, excluding August 14th. Those dates are August 28, September 11 and 25, October 9 and 23, November 13 and 27, and December 11.

Motion by Cody Boyd, seconded by Jill Castilla to agree to meet on the second and fourth Thursday mornings until December 11, 2025.

Motion passed unanimously.

7. Discussion of the Current State of the City Budget Process, including the development, approval, and management of the budget process.

Kathy Panas explained that the City's budget process involves City staff, each year, preparing what they anticipate for the following year and presenting it to Council in a number of budget workshops that begin in January and go through May. The budget then is adopted during the first meeting of June each year.

Committee Member Wilson asked who develops it? Kathy replied that the department heads develop it.

Committee Member Wilson asked if Council set parameters ahead of time. Kathy replied that staff meet with Council in January to set goals and that in late May, staff have a draft budget prepared.

Frank Crawford, CPA and a partner in the CPA firm of Crawford and Associates who compiles the City's annual audited financial statements, made a comment briefly explaining what the performeter.

8. Discussion of Challenges and Issues in the City's Funds and Budget Process

Committee Member Watterson made a comment that he's observed that the budget is hard to understand to the average person. He feels like things don't match and there isn't an explanation and that transfers are hard to follow. He would like to make things more straight forward so that any citizen can go to our budget on the City website and have a decent understanding. The goal is to demystify the budget and make it more presentable to the public with an intent to establish goals early to implement in next year's process.

Committee Member Nash said that when questions arise by people about the budget, it takes the Finance staff/team too long to get answers because of the current process. He commented that we don't have enough staff in Finance from a budget perspective to manage what the City is needing.

Committee Member Boyd asked for an example of a general question, i.e.: street maintenance.

Kathy replied that the City is implementing a new project accounting module that will allow the city to track projects faster and easier. In order to know a specific project, you would have to open everything and filter through to that one project. There is a new software, but it will take time to implement all the data.

Committee Member Watterson commented he would like to see the budget presented in a different way that might be more understandable to the average reader.

Committee Member McCune asked if the issues were a system issue or a personnel issue.

Committee Member Nash Mayor Nash requested a more transparent, accessible presentation to the public.

Committee Member Wilson commented that we want to figure out what our presentation is going to be. Focus on presentation-process-and then potentially interpretation. The perception is important to citizens.

Committee Member Castilla asked if there was a deliverable they foresee having in December to Council.

Committee Member Nash asked if they need to make changes to the fund structure; what the look and feel of the presentation of what the budget physically looks like to the Council and to the public in a format that people can understand. The budget management side of that goes hand in hand with both of those things.

Committee Member Watterson added that a set of recommendations that this group would provide to City Council, Finance, City Manager are some changes we want to make to our process, sort of a report.

Committee Member Nash said that he wasn't quite happy with the budget hearing process because all they heard was what changes were/changes wanted. He wants to make things easier for staff and Finance team to be able to do their job.

Committee Member Boyd asked if the committee's recommendation should include suggestions about the Finance team being understaffed, or make suggestions about that?

Committee Member Nash asked Kathy to get an organizational chart of finance department.

Committee Member Castilla asked the committee if they could create a plan on what to tackle first.

Committee Member Nash replied yes; possibly starting with the fund structure. He mentioned Art in Public Places as an example of things that could be improved upon, then budget presentation piece, and then how the Council goes through the budget approval process.

Committee Member Watterson recommended identifying the topics that the committee wants to hit.

Committee Member McCune asked if there are any peer group comparisons or something to liken off of, so we aren't starting from scratch.

Committee Member Nash suggested speaking to OML or Frank Crawford, who would know about model cities.

Committee Member Castilla said that it would be great to find an example of somewhere that has a strong citizen trust and good transparency; what we want to achieve.

Committee Member Watterson suggested looking at how do we do it today-what's the best practice-work through what we'd like to think about doing.

Committee Member Nash said that what he's hearing is that the committee needs to talk about the budget structure. Should the City appropriate money based on purpose-based budgeting or keep the department based and make that work. He then explained a bit about the purpose-based budgeting, and that it gives a bit more flexibility in what you do because it puts things into bigger buckets.

Committee Member Boyd asked if that cuts back on the number of adjustments coming back to City Council.

Committee Member Nash said that it could, yes, and that Council's desire is to allow the people (staff) to manage their money. Council shouldn't have to entertain more than 1-2 budget amendments a year. With the current process, Council couldn't make changes to the process in May or June.

Committee Member Castilla asked if there will or should be an advisory committee, if that was a part of their scope.

Committee Members Nash and Watterson said no, not at this time.

Committee Member Nash suggested dealing with Fund Structure at the start of the next meeting. Committee Member Wilson commented that he wants Kathy to speak up about the "presentation" part of things and others, so we aren't bogging staff down with things that are getting too granular.

Frank Crawford made a comment from the audience that, for example, with grants, would the City want 10 different buckets, or just one large grant bucket? Both are very different. He also commented that about a dozen funds required to be in different buckets, but when you approve different taxes, grants, etc., you are locked in to having things in a different bucket/fund.

Kathy Panas said that she would like to hear from this group what they want to see so staff can work on presentation.

Committee Members Watterson, Boyd, Nash, and Wilson made suggestions on items to discuss at future meetings. Those were:

Fund structure (Aug. 28)

Purpose based vs. fund department (Sept. 11)

Presentation/format – make things as understandable as possible

9. Discussion of Allocation Process for Funding Support Services

Motion by Preston Watterson, seconded by Cody Boyd to table item 10 and discuss it at a future Committee meeting.

Motion passed unanimously.

10. Discussion of Next Steps Following Prior Budget Process and Financial Discussions

Committee member Watterson said that he is interested in hearing from staff outside of the meeting with suggestions on what can be improved upon.

11. Comments from the Fund Structure and Budget Reform Committee Chair and Members.

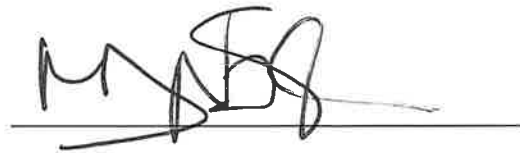
Ross VanderHamm commented that the committee could review the OKC hybrid budget before the next discussion, as that may give a better understanding of what the purpose-based budget is.

Frank Crawford made a comment that he will provide OML budget workshop slides.

12. Adjournment.

Motion by Taylor Wilson, seconded by Jill Castilla to adjourn the Fund Structure and Budget Reform Committee meeting.

Motion passed unanimously.

A handwritten signature in black ink, appearing to read 'M. Nash', written over a horizontal line.

Mark A. Nash, Fund Structure and Budget
Reform Committee Chairperson