



CITY OF NORMAN, OK CITY COUNCIL SPECIAL MEETING

**Municipal Building, Council Chambers, 201 West Gray, Norman, OK 73069
Tuesday, May 20, 2025 at 2:00 PM**

MINUTES

The City Council Special Meeting of the City of Norman, Cleveland County, State of Oklahoma, met in Regular Session in the Council Chambers in the Municipal Building, on Tuesday, May 20, 2025 at 2:00 PM, and notice of the agenda of the meeting was posted at the Norman Municipal Building at 201 West Gray and on the City website at least 48 hours prior to the beginning of the meeting.

CITY COUNCIL, NORMAN UTILITIES AUTHORITY, NORMAN MUNICIPAL AUTHORITY, AND NORMAN TAX INCREMENT FINANCE AUTHORITY

Mayor Heikkila called the meeting to order at 2:00 p.m.

ROLL CALL

PRESENT

Mayor Larry Heikkila
Councilmember Ward 1 Austin Ball
Councilmember Ward 2 Matthew Peacock
Councilmember Ward 3 Bree Montoya
Councilmember Ward 4 Helen Grant
Councilmember Ward 5 Michael Nash
Councilmember Ward 6 Joshua Hinkle
Councilmember Ward 7 Stephen Holman
Councilmember Ward 8 Matthew Peacock

AGENDA ITEMS

Acting as the Norman Tax Increment Finance Authority

1. CONSIDERATION OF ADOPTION, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF THE PHASING PLAN REQUIRED BY ROCK CREEK ENTERTAINMENT DISTRICT ECONOMIC DEVELOPMENT AGREEMENT

Motion to Approve was made by Trustee Ward 8 Dixon, Seconded by Trustee Ward 1 Ball.

Motion to approve the Phasing Plan contingent upon (1) Judge Virgin's ruling being affirmed or (2) the voters approve Ordinance O-2425-2 if Judge Virgin's ruling is reversed.

Item 1, continued

Participants in Discussion:

1. Mr. Stephen Ellis, Ward 4, opponent
2. Mr. Rob Norman, Ward 3, opponent
3. Mr. Paul Arcaroli, Ward 3, made comments
4. Ms. Marguerite Larson, Ward 6, opponent
5. Mr. Luigi Polvani, Ward 4, opponent
6. Mr. John Nolan, Ward 2, opponent
7. Ms. Lane Nolan, Ward 2, opponent
8. Ms. Pam Post, Ward 5, opponent
9. Mr. Russell Rice, Ward 2, made comments
10. Ms. Cynthia Rogers, Ward 4, opponent
11. Mr. Dale Brown, Ward 3, asked questions

Motion to approve the Phasing Plan contingent upon (1) Judge Virgin's ruling being affirmed or (2) the voters approve the Ordinance O-2425-2 if Judge Virgin's ruling is reversed was made by Trustee Ward 4 Grant, Seconded by Trustee Ward 7 Holman.

Voting Yea: Trustee Heikkila, Trustee Ward 2 Peacock, Trustee Ward 3 Montoya, Trustee Ward 4 Grant, Trustee Ward 5 Nash, Trustee Ward 6 Hinkle, Trustee Ward 7 Holman, Trustee Ward 8 Peacock

Voting Nay: Trustee Ward 1 Ball

The contingency was Added.

Voting Yea: Chairman Heikkila, Trustee Ward 1 Ball, Trustee Ward 2 Peacock, Trustee Ward 3 Montoya, Trustee Ward 4 Grant, Trustee Ward 6 Hinkle, Trustee Ward 7 Holman, Trustee Ward 8 Peacock

Voting Nay: Trustee Ward 5 Nash

The Phasing Plan was Approved contingent upon (1) Judge Virgin's ruling being affirmed or (2) the voters approve the Ordinance O-2425-2 if Judge Virgin's ruling is reversed

2. DISCUSSION REGARDING THE PROPOSED FYE 2026 CITY OF NORMAN BUDGET – ENTERPRISE FUNDS.

Ms. Kim Coffman, Budget Manager, said Council reviewed the Capital Fund on November 19, 2024; Capital Fund mid-year budget review was held January 16, 2024, and a second Capital Budget Study Session March 4, 2025; General and Special Revenue funds were reviewed April 15, 2025; a public hearing regarding the budget was held on April 22, 2025; and the Capital Fund was reviewed again May 5, 2025. Today Council will be reviewing Enterprise Funds. She said a final public Budget Hearing would be held on May 27, 2025, an optional Budget Study Session on June 3rd, and June 6, 2025, Council will consider the budget for adoption.

Item 2, continued

Enterprise Funds are operated in a manner similar to private business enterprises where the intent is that the costs of providing goods or services to the general public are financed or recovered primarily through user charges. Enterprise Funds include Water, Sanitation, and Water Reclamation which includes two sub-funds of Sewer Maintenance and New Development Excise Tax.

Sanitation Fund

Ms. Coffman said the Sanitation Division collects annually over 110,000 tons of solid waste and over 40,000 tons of yard waste for the Compost Facility; curbside recycling started in 2008 and in FYE 2025 the City transitioned from an outside contractor to in-house with over 85% participation, collecting over 4,000 tons of recyclable material annually. The recycling hub at the transfer station collects scrap iron, wood, and glass. She said over 200 tons of glass is recycled each year.

Ms. Coffman highlighted a comparison of residential sanitation rates across 17 cities in and out of state, including 16 cities comparable to Norman. Services included Spring and Fall clean-up days; once a week solid waste collection; once a week yard waste collection; free brush drop-off; four recycling drop-off centers; free compost (as available); and residential curbside recycling. She said Norman is 17% below the average of \$20.77 per month.

Sanitation rates were last increased in April 2011, to \$17.20 per unit per month. This includes a \$3 curbside recycling charge, a \$0.20 Oklahoma Solid Waste Management charge, additional polycart for a charge of \$7 per month, and estimated revenue at a growth rate of 1.015% per year.

Ms. Coffman said major Sanitation Fund expenditures for FYE 26 include \$2,251,256 for computer and vehicle replacements, and route service software; landfill tipping is not estimated to increase from FYE 2025, which was \$3.125 million; and FYE 2026 projected ending fund balance is \$4,821,999.

Major projects from FYE 25 to be completed in FYE 26 include \$1.2 million for the Compost Facility; no new capital projects are requested for FYE 26. Raftelis is currently performing a Cost of Service Study to be completed in FYE 26, this will potentially impact the next budget process.

Water Fund

Ms. Coffman said water production runs 24 hours per day, 365 days a year, and produces over 5 billion gallons annually. Line Maintenance Division maintains 652 miles of water pipe with diameters of two to 48 inches, 7,074 fire hydrants, and 14,293 valves; they repair annually an average of 175 waterline breaks, 550 water leaks, respond to over 6,300 service calls, replace about 3,000 feet of old, deteriorated/undersized water mains, and maintains 1,100 fire hydrants and over 42,000 water meters.

Item 2, continued

Ms. Coffman highlighted the water rate history that includes an inverted block rate adopted in 1999 to encourage conservation by charging higher rates to the highest quantity water users (affecting 25% of residential customers); water rate increase approved in March 2006; failed water rate increase in August 2010; water rate increase approved to fund Water Treatment (WTP) improvements and additional two million gallons per day (mgd) of groundwater supply in January 2015; failed water rate increase in April 2022; and approved water rate increase in June 2023 to fund groundwater disinfection, water line replacements, lead services, and operational cost increases.

Ms. Coffman highlighted current residential rate structures for Norman as follows:

Gallons	Rates (per 1 k gal.)
Base Fee	\$10.90
0 – 5,000	\$ 3.46
5,001 – 15,000	\$ 4.50
15,001 – 20,000	\$ 6.75
Over 20,000	\$ 9.51

The City currently charges a summer surcharge of \$0.35 per 1,000 gallons during July and August for usage of 20,000 gallons per month (gpm) or more; there is also a mandatory year-round odd/even watering rotation schedule for customers.

Ms. Coffman shared a comparison of residential water rates for several communities comparable to Norman, both in and out of state. Norman's rates are 25% below average cost based on 10,000 gpm.

Major revenue assumptions for the Water fund in FYE 26 include an estimated growth rate of 1.015% per year for projected customer growth.

Water fund expenditure assumptions include \$1,524,330 budgeted for interim water purchase contract from Oklahoma City (OKC); \$854,234 for Central Oklahoma Master Conservancy District, which includes a proposed amendment to increase to \$1,166,234 and the replacement of Midwest City, Del City, and Norman's raw water line in Lake Thunderbird; Norman's share is 43%. \$96,435 was in the proposed budget for fleet computers, and well equipment replacements; the ending fund balance for FYE 26 is projected to be \$2,669,583.

Major projects beginning in FYE 25 to be completed in FYE 26 include \$16 million for Meter Infrastructure Program, \$2.5 million for Jenkins Water Line Replacement, \$1.6 million Danfield Water Line Replacement, \$4.3 million Tecumseh Road Water Line, \$7 million Groundwater Facility, \$3 million Water Treatment Plant Improvements - Phase 2B and \$4.5 million Robinson Water Line - 24th NE to 12th NE.

Item 2, continued:

Major projects for FYE 26 include the Flood Water Line Replacement from Robinson to Boyd (\$2.5 million) and Franklin to North City Limit (\$3.0 million). Water Line Replacements as follows: \$1.95 million Westwood Estates, \$1.5 million Carter, and \$2.0 million Royal Oaks.

Water Reclamation Facility (WRF)

Ms. Coffman highlighted WRF performances including average flows, ammonia removal, 12 month rolling average, Carbonaceous Biochemical Oxygen Demand (CBOD) removal, WRF design capacity, and solids removal. The WRF is about 30% below capacity, with the exception of April 2025; this is due to the heavy rains that were making it into the sewer lines.

She said Sewer Line Maintenance maintains over 530 miles of sewer lines, maintains over 12,500 manholes, cleans over 1.1 million feet of sewer lines annually, inspects and records over 450,000 feet of sewer lines, and maintains 14 sewer lift stations.

Ms. Coffman highlighted comparable residential water reclamation rates for the cities previously mentioned and said that Norman is the lowest.

Current rates are a \$5.00 base plus \$2.70 per 1,000 gallons of treated wastewater. Ms. Coffman said user fee revenues have been estimated at an average annual growth rate of 1.015%.

Expenditure Assumptions for the Water Reclamation Fund include a decrease of \$1.46 million in cost allocations to the General Fund (due to Cost Allocation Study in FYE25), \$1,033,750 in FYE 26 proposed budget for fleet equipment and computer replacements, and a projected FYE 26 ending fund balance of \$4,963,589.

Capital projects for the Water Reclamation Fund include major projects from FYE 25 to be completed in FYE 26; they are dewatering centrifuges (\$3.3 million) and aeration basin blower replacements (\$2.8 million); also new projects for FYE 26 (by amendment) includes main admin building upgrades and storage building (\$3.5 million). This cost would come from the FYE 26 ending fund balance previously mentioned.

Sewer Maintenance Fund

Ms. Coffman said that all revenue comes from a \$5.00 per month sewer maintenance rate approved in 2001. She said all Sewer Maintenance Rate projects must be on a pay-as-you-go basis, and since 2001, over 488,000 feet of sewer line has been rehabilitated.

She shared a color graphic showing major projects completed in FYE 25, which included Sewer Maintenance Project 2019 (\$5.5 million); major projects from FYE 2025 to be completed in FYE 2026, which include sewer maintenance projects from 2018 (\$2.8 million), 2022 (\$3.4 million), and 2024 (\$5.0 million). New projects for FYE 2026 were also included which are Sewer Maintenance Project 2026 (\$3.0 million), Lift Station Radio Communication Upgrade (\$250,000), and Lift Station D Condition Assessment (\$75,000).

Item 2, continued:

New Development Excise Tax Fund

Ms. Coffman highlighted revenue from new construction building permits based on wastewater generated. This revenue fluctuates based on permits received each year.

FYE 26 projected revenues of \$1.4 million are made up of \$1.1 million from residential projects and \$0.3 million from commercial. There are no new capital projects for FYE 2026.

Total Utility Rates

Ms. Coffman shared a chart showing total utility rates for the aforementioned 17 cities (average \$158.63). Norman's total is \$102 (36% below average) monthly for trash service and 10,000 gallons of water and sewer usage.

Councilmember Holman asked if the Sewer Maintenance Fund that was approved by voters in 2001 for \$5.00 a month flat fee has ever been raised. Ms. Coffman said that it has not. Councilmember Holman also asked when the New Development Excise Tax Fund was approved and if it has ever been increased. Ms. Coffman said in 2001, and no it has not. He stated that both of these would require a vote of the people to increase, highlighted the cost of trash per year, and encouraged the public to consider ways to reduce waste. Councilmember Holman said that Norman has significantly lower rates than any other city in the metro area.

Councilmember Grant commented on the Raftelis Study and asked if after completion (FYE 2026) Council would have an idea of what rates should be raised to. Mr. Chris Mattingly, Director of Utilities, clarified that yes, it was a review of sanitation rates and both possible increases, and the fund would be reviewed going forward.

ADJOURNMENT

Mayor Heikkila adjourned the meeting at 4:29 p.m.

ATTEST:

City Clerk

Mayor