



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 1/23/2024

REQUESTER: Nathan Madenwald, Utilities Engineer

PRESENTER: Nathan Madenwald, Utilities Engineer

ITEM TITLE: CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF CONTRACT K-2324-118:
A CONTRACT BY AND BETWEEN THE NORMAN MUNICIPAL AUTHORITY AND RAFTELIS FINANCIAL CONSULTANTS, INC., IN THE AMOUNT OF \$56,020 TO PROVIDE CONSULTING SERVICES FOR THE SANITATION COST-OF-SERVICE STUDY AND BUDGET APPROPRIATION AS OUTLINED IN THE STAFF REPORT.

BACKGROUND:

The Sanitation Division performs various services for several different customer groups and for the City of Norman as highlighted below:

1. Residential trash/sanitation service;
2. Residential recycling service currently through Republic;
3. Residential yard waste service and composting;
4. Semi-annual bulky cleanup;
5. Commercial dumpster service;
6. Solid waste support for special events and certain districts; and
7. Crew for dumping/cleanup.

Funding for the Sanitation Department is through fees and charges for services provided. The last rate increase for trash service was approved in 2011 and an increase for recycling service modifications from the bin to the 95-gallon cart was approved in 2013. Since these rate increases, costs have continued to increase, growth continues to occur and other needs and cost requirements have developed. To ensure accuracy and financial stability for the Sanitation Fund, a cost-of-service study is needed.

DISCUSSION:

Under this contract, Raftelis will evaluate the overall financial condition of the Sanitation Fund amidst increasing costs. In summary, this study will:

1. Develop a financial plan based on historical revenues and anticipated operating and capital expenditures;

2. Assess costs for service for various customer classes and services provided to sanitation customers;
3. Evaluate the current rate structure and prepare recommended modifications or increases to eliminate customer class subsidies and/or meet requirements for the financial plan; and
4. Present information to City Council.

Funds for this study are proposed to be appropriated from the Sanitation Fund Balance (32-29000) into the Design account for the Sanitation Cost-of-Service Study (SA0025-DESIGN – 33999975-46201) in the amount of \$60,000. This funding will be sufficient for the proposed contract fee of \$56,020.

RECOMMENDATION 1:

Staff recommends the Trustees of the Norman Municipal Authority (NMA) approve Contract K-2324-118 in the amount of \$56,020 with Raftelis Financial Consultants, Inc. for consulting services for the Sanitation Cost-of-Service Study.

RECOMMENDATION 2:

Staff recommends the NMA appropriate \$60,000 from the Sanitation Fund Balance (33-29000) into the Design account for the Sanitation Cost-of-Service Study (SA0025-DESIGN – 33999975-46201).