



CITY OF NORMAN, OK CITY COUNCIL SPECIAL MEETING

Municipal Building, Executive Conference Room, 201 West Gray,
Norman, OK 73069
Tuesday, May 16, 2023 at 5:30 PM

MINUTES

It is the policy of the City of Norman that no person or groups of persons shall on the grounds of race, color, religion, ancestry, national origin, age, place of birth, sex, sexual orientation, gender identity or expression, familial status, marital status, including marriage to a person of the same sex, disability, relation, or genetic information, be excluded from participation in, be denied the benefits of, or otherwise subjected to discrimination in employment activities or in all programs, services, or activities administered by the City, its recipients, sub-recipients, and contractors. In the event of any comments, complaints, modifications, accommodations, alternative formats, and auxiliary aids and services regarding accessibility or inclusion, please contact the ADA Technician at 405-366-5446, Relay Service: 711. To better serve you, five (5) business days' advance notice is preferred.

CALL TO ORDER

Mayor Heikkila called the Meeting to Order at 5:30 p.m.

PRESENT

Mayor Larry Heikkila
Councilmember Ward 1 Austin Ball
Councilmember Ward 2 Lauren Schueler
Councilmember Ward 4 Helen Grant
Councilmember Ward 6 Elizabeth Foreman
Councilmember Ward 7 Stephen Holman
Councilmember Ward 8 Matthew Peacock

ABSENT

Councilmember Ward 3 Kelly Lynn
Councilmember Ward 5 Rarchar Tortorello

AGENDA ITEMS

1. CONSIDERATION OF ACCEPTANCE, APPROVAL, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF RESOLUTION R-2223-137: A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, DECLARING THE 2023 KORN FERRY TOUR COMPLIANCE SOLUTIONS CHAMPIONSHIP GOLF TOURNAMENT TO BE HELD IN THE CITY OF NORMAN FROM JUNE 19 THROUGH JUNE 23, 2023, AS A QUALITY EVENT FOR THE PURPOSE OF APPLYING FOR TAX INCENTIVES AVAILABLE PURSUANT TO THE STATE OF OKLAHOMA'S QUALITY EVENTS INCENTIVES ACT; IDENTIFYING ELIGIBLE EXPENSES; AND ASSIGNING ANY PAYMENTS MADE TO THE CITY PURSUANT TO THE QUALITY EVENTS

INCENTIVES ACT TO VISITNORMAN FOR THE PROMOTION OF QUALIFYING EVENTS.

Item 1, continued:

Ms. Heather Poole, Assistant City Attorney, said in 2010, the Governor signed the Oklahoma Quality Events Incentives Act (Act), which became effective July 1, 2012, and was amended on July 1, 2018, and extended June 30, 2026. The intent of the program created by the Act is to capture the incremental state sales tax generated by a qualifying quality event and use the incremental revenue collected to promote and compete for the large quality events. The Legislature recognizes that cities and local communities are competing with other jurisdictions outside of the state to bring the quality events and recognizes that the qualifying events must have chosen the Oklahoma location over other out-of-state competitors based in part on the promotional efforts and incentives provided by the local communities and cities.

A "Quality Event" under the Act includes new events or meetings of a nationally recognized organization of its members, new or existing events that are a national, international, or world championship, or new or existing events that are managed or produced by an Oklahoma-based national organization. The Quality of Events Incentive Program requires that each community, for the purpose of attracting, promoting, advertising, organizing, conducting, or otherwise supporting a quality event adopt an event-related resolution to be submitted to the Oklahoma Tax Commission. The Tax Commission will determine the amount of incremental state sales tax revenue that may be paid to the City under provisions of the Act.

Ms. Poole said the Korn Ferry Tour has been deemed a quality event to be held in Norman at the Jimmie Austin Golf Club at the University of Oklahoma on June 19 through June 23, 2023. Since 2013, the Korn Ferry Tour has been the primary pathway for those seeking to earn their Professional Golf Association (PGA) Tour Card. She said VisitNorman has agreed to complete the economic impact study needed and assist with the application. If the Oklahoma Tax Commission determines the City is eligible to receive a payment under the Act, Resolution R-2223-137 provides that the city will assign such payment to VisitNorman to promote quality events.

Mr. Trent Brown with VisitNorman said he anticipates the event to bring in \$1 million. He said this is a PGA style golf tournament with an anticipated 300 golfers participating as well as visitors, which means economic impact for hotels, restaurants, etc. He said this is a five-year contract to hold the tournament in Norman.

Items submitted for the record

1. Staff report dated May 16, 2023, from Jason Olsen, Director of Parks and Recreation
2. Resolution R-2223-137

Item 1, continued:

Motion made by Councilmember Ward 6 Foreman, Seconded by Councilmember Ward 8 Peacock.

Voting Yea: Mayor Heikkila, Councilmember Ward 1 Ball, Councilmember Ward 2 Schueler, Councilmember Ward 4 Grant, Councilmember Ward 6 Foreman, Councilmember Ward 7 Holman, Councilmember Ward 8 Peacock

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2. CONSIDERATION OF ACCEPTANCE, APPROVAL, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF RESOLUTION R-2223-138: A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, DECLARING THE 2023 NATIONAL BEEP BASEBALL ASSOCIATION WORLD SERIES TO BE HELD IN THE CITY OF NORMAN FROM JULY 30, 2023 THROUGH AUGUST 5, 2023, AS A QUALITY EVENT FOR THE PURPOSE OF APPLYING FOR TAX INCENTIVES AVAILABLE PURSUANT TO THE STATE OF OKLAHOMA'S QUALITY EVENTS INCENTIVES ACT; IDENTIFYING ELIGIBLE EXPENSES; AND ASSIGNING ANY PAYMENTS MADE TO THE CITY PURSUANT TO THE QUALITY EVENTS INCENTIVES ACT TO VISITNORMAN FOR THE PROMOTION OF QUALITY EVENTS.

Ms. Poole said, as with the Korn Ferry Tour, the National Beep Baseball Association (NBBA) has been deemed a quality event committed to fostering competition and camaraderie through the game of beep baseball for the blind and visually impaired. The NBBA will be hosted at the newly renovated Griffin Community Park and the Gillis-Rother Soccer Complex from July 30 through August 5, 2023. Mr. Brown said it is fascinating to watch the teams play.

Mr. Brown said VisitNorman has completed an impact study and the event will consist of over 20 teams estimated to bring in over \$500,000 in to Norman. He said 100 volunteers are needed daily and encouraged anyone interested to sign up to volunteer during the event.

If the Oklahoma Tax Commission determines the City is eligible to receive a payment under the Act, Resolution R-2223-138 provides that the city will assign such payment to VisitNorman to promote quality events.

Items submitted for the record

1. Staff report dated May 16, 2023, from Jason Olsen, Director of Parks and Recreation
2. Resolution R-2223-138

Item 2, continued:

Motion made by Councilmember Ward 6 Foreman, Seconded by Councilmember Ward 3 Schueler.

Voting Yea: Mayor Heikkila, Councilmember Ward 1 Ball, Councilmember Ward 2 Schueler, Councilmember Ward 4 Grant, Councilmember Ward 6 Foreman, Councilmember Ward 7 Holman, Councilmember Ward 8 Peacock

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3. DISCUSSION REGARDING THE PROPOSED FYE 2024 CITY OF NORMAN BUDGET – ENTERPRISE FUNDS.

Ms. Kim Coffman, Budget Manager, said Council reviewed the Capital Fund on November 15, 2022; a Capital Fund mid-year review was held on February 14, 2023; General and Special Revenue Funds were reviewed on April 18, 2023; a public hearing regarding the budget was held on April 25, 2023; and the Capital Fund was reviewed again on May 2, 2023. She said tonight, Council will be reviewing Enterprise Funds and another public hearing regarding the budget will be held on May 23, 2023. An optional follow-up meeting regarding the budget may be held, if needed, on June 6, 2023, with final adoption of the budget proposed for June 13, 2023.

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

Sanitation Fund

Ms. Coffman said the Sanitation Division annually collects more than 100,000 tons of solid waste and approximately 30,000 tons of yard waste that is placed in the Compost Facility; the City offers curbside recycling through Republic Services with a 90% participation rate and Republic collects more than 4,000 tons of recyclable material annually; and offers four recycling drop-off centers that collect more than 2,000 tons annually. She said the City added a new recycling hub at the Transfer Station that accepts scrap iron, wood, and glass, which the other three drop-off centers do not accept. She said 300 tons of glass is recycled annually.

Ms. Coffman highlighted a comparison of residential sanitation rates with other communities, i.e., Ardmore, Bartlesville, Broken Arrow, Edmond, Enid, Lawton, Midwest City, Moore, Mustang, Newcastle, Oklahoma City, Stillwater, and Tulsa as well as out of state communities, i.e., Richardson, Texas, Denton, Texas; and Lubbock, Texas. She said services include 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 (when available); and residential curbside recycling.

Item 3, continued:

Sanitation Fund, continued:

Sanitation rates were last increased in April 2011, to \$17.20 per unit per month, which includes a \$3.00 curbside recycling charge; a \$0.20 Oklahoma Solid Waste Management charge; additional polycart for a charge \$7 per month; and estimated revenue at a growth rate of 1.8% per year.

Ms. Coffman said major Sanitation Fund expenditures include \$3,224,850 for fleet related replacement purchases; \$2.8 million for landfill tipping fees (expenses have increased 27% from FYE 23 to FYE 24); Recycling Contractor expense budgeted at \$1.62 million (3.6% increase); and FYE 24 ending fund balance is \$4,027,999.

Major projects completed in FYE 24 include \$2.5 million for New Sanitation Facility and major projects from FYE 23 to be completed in FYE 24 include \$420,000 for Compost Facility Scale House Modification; \$2 million for Transfer Station renovation. No major new projects are projected for FYE 24.

Water Fund

Ms. Coffman said water production runs 24 hours per day, 365 days a year, and produces over 5.02 billion gallons annually. She said the Line Maintenance Division maintains over 650 miles of water pipe with diameters of six to 48 inches, 6,877 fire hydrants, and 13,824 valves. Line Maintenance repairs an average of 180 water line breaks each year; replaces over 3,000 feet of old deteriorated/undersized water mains; maintains 400 fire hydrants; and maintains over 41,000 water meters.

Ms. Coffman highlighted the water rate history that includes an inverted block rate adopted in 1999 to encourage conservation (a progressive rate structure charges higher rates to highest quantity water users and affects about 25% of residential customers); water rate increase approved in March 2006; failed water rate increase in August 2010; water rate increase approved to current levels to fund Water Treatment Plant (WTP) Improvements and additional two million gallons per day (mgd) of groundwater supply in January 2015; failed water rate increase in April 2022; and the upcoming water rate increase election.

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

Gallons	Rates (per 1,000/gallon)	PROPOSED RATE (PER 1 KILOGRAM GALLON)
Base Fee	\$6.00	\$10.90
0 – 5,000	\$3.35	\$ 3.46
5,001 – 15,000	\$4.10	\$ 4.50
15,001 – 20,000	\$5.20	\$ 6.75
Over 20,000	\$6.80	\$ 9.51

Item 3, continued:

Water Fund, continued:

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 highlighted a comparison of residential water rates for several communities, i.e., Ardmore, Bartlesville, Broken Arrow, Edmond, Enid, Lawton, Midwest City, Moore, Oklahoma City, Stillwater, and Tulsa as well as out of state communities, i.e., Richardson, Texas; Denton, Texas; and Lubbock, Texas. She said Norman's rates are below benchmark cities as the average cost based on 10,000 gpm.

Major revenue assumptions for the Water Fund in FYE 23 include an estimated growth rate of 2% per year for projected customer growth. Water connection charges increased for all meter sizes as follows:

Meter Size	Effective April 22, 2023
3/4 inch	\$ 1,500.00
1 inch	\$ 2,500.00
1.5 inch	\$ 4,999.50
2 inch	\$10,000.50

Water Fund expenditure assumptions include \$1,240,330 budgeted for interim water purchase contract from Oklahoma City (OKC); \$938,734 for Central Oklahoma Master Conservancy District raw water purchase (18% decrease from 2023), which includes the replacement of Del City's raw water line and Norman's share is 43%; \$351,175 included in FYE 24 Budget for fleet related replacement purchases and other capital equipment; and the FYE 24 Ending Fund balance is projected to be \$103,201 (balance in FYE 25 estimated to be negative \$11,386,049 due to construction timing).

Ms. Coffman highlighted major water projects completed in FYE 23 that includes \$3.8 million for waterline replacement on Flood Avenue and Robinson Street to Venture Avenue and includes James Garner Avenue waterline replacement from the Central Library on Acres Street to Robinson Street; \$2.2 million for Porter Avenue waterline replacement; \$1.4 million for Water Treatment Plant (WTP) Solar Array; \$320,000 for WTP Carbon Dioxide Tank replacement; and \$625,000 for connection of water wells five, six, and 52.

Major new projects for FYE 23 to be completed in FYE 24 includes \$2 million for James Garner Avenue Water Line Replacement; \$1.2 million for Jenkins Avenue Water Line improvements (collaboration with Public Works); \$1.2 million for Southlake Addition Water Line Replacement; and \$4.3 million for Line Maintenance Building (in combination with Water Reclamation Facility funding).

Item 3, continued:

Water Fund, continued:

Major projects for FYE 23 that are ongoing in FYE 24 include \$17 million for Advanced Water Metering Infrastructure. Major new projects for FYE 24 includes \$5.2 million for Water Line Replacement: Tecumseh Road from 24th Avenue N.W. to Journey Parkway and \$1.65 million for Lead Service Inventory.

Future Water Projects (subject to funding) include \$4.5 million for Groundwater Disinfection – FYE 25 (delayed from FYE 23); \$2.5 million for Flood Avenue Water Line Replacement – FYE 27 (delayed from FYE 21); \$13 million for Robinson Street 30-inch Water Line Replacement (24th Avenue N.E. to Flood Avenue) – FYE 24 (delayed from FYE 21); \$8.2 million for Alameda Avenue 24-inch Water Line Replacement (24th Avenue N.E. to Carter Avenue) – FYE 27 (delayed from FYE 23); \$1.2 million for Hall Park Water Line Replacement – FYE 25 (delayed from FYE 21); \$773,000 for Alameda Water Tower – FYE 25 (delayed from FYE 23); \$1.5 million for Segment D Water Line (Jenkins Avenue from Imhoff Road to State Highway 9) – FYE 25; and \$20 million for Classen Boulevard 16-inch Water Line Replacement – FYE 25 to FYE 29.

Councilmember Peacock asked if the City can use the Geographical Information System (GIS) to prepare a map showing the areas these projects service and Mr. Chris Mattingly, Director of Utilities, said he will work on that request.

Ms. Coffman said another source for increasing water demand could include Lake Thunderbird augmentation where wastewater from the Water Reclamation Facility (WRF) would be treated to augment Lake Thunderbird, which would then be re-treated at the WTP for drinking water. Mr. Chris Mattingly, Director of Utilities, said Staff is doing a pilot project and working to get Midwest City and Del City onboard with the project. He said although the water supply is good right now, a drought is coming and cities need to prepare for that.

Water Reclamation Fund

Ms. Coffman highlighted WRF performance and said the WRF has an average flow of 11.0 mgd and has 98.6% removal of Carbonaceous Biochemical Oxygen Demand (CBOD); 97.7% removal of Total Suspended Solids (TSS); 98% removal of Ammonia; and 99 Most Probable Number (MPN)/100 Mixed Liquid Suspended Solids (mls) *Escherichia Coli* (E. Coli) limits. She said the E. Coli permit limit is 630 MPN/100 mls.

Ms. Coffman said Sewer Line Maintenance maintains almost 524 miles of sewer lines and over 12,300 manholes; cleans over one million feet of sewer lines each year; and inspects and records over 250,000 feet of sewer lines. She said over the last 20 years, the City has reduced sanitary sewer overflows by 90%.

Item 3, continued:

Water Reclamation Fund, continued:

Ms. Coffman highlighted comparable residential water reclamation rates for the cities previously mentioned and said Newcastle is the only city with a lower rate than Norman.

Major revenue assumptions for the Water Reclamation Fund include residential wastewater service rates increased in November 2013. Current rates are a \$5.00 base plus \$2.70 per 1,000 gallons of treated wastewater. Ms. Coffman said user fee revenues for FYE 23 are budgeted with no increase from FYE 23 estimate. The FYE 23 fund balance is projected to be \$256,882 and \$587,939 in FYE 24.

Major projects completed in FYE 23 includes \$ 3.5 million for Water Reclamation Solar Array and \$3.6 million for Reuse Pilot Study.

Major projects for FYE 23 carried into FYE 24 includes \$3 million for Centrifuge Replacement; \$4.3 million for Line Maintenance Building; and \$800,000 for Aeration Basin Blower Improvements.

Major projects deferred to FYE 24 include \$1.1 million for Storage Building and \$3.5 million for Main Control Building Renovation with Laboratory.

Sewer Maintenance Fund

Ms. Coffman said the main source of Sewer Maintenance Fund 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. Since 2001, over 461,000 feet of sewer lines has been rehabilitated.

Ms. Coffman highlighted Sewer Maintenance Fund projects completed in FYE 23 that includes \$2.3 million for Sewer Maintenance Project 17 (complete) and \$1.1 million for 12th Avenue Manholes.

Major projects for FYE 23 carried into FYE 24 includes \$2.9 million for Sewer Maintenance Project 18; \$3.4 million for Sewer Maintenance Project 19; \$2.6 million for Sewer Maintenance Project 22; and \$1 million for Lift Station D Force Main.

New major projects for FYE 24 include \$2.9 million for Sewer Maintenance Project 24.

New Development Excise Tax Fund

The main source of revenue for the New Development Excise Tax Fund comes from building permits for new construction based on wastewater generated. Ms. Coffman said FYE 23 revenues are projected to be \$1.4 million (\$1.1 million from residential projects and \$300,000 from commercial projects). Ms. Coffman said future projects include a future Lift Station with a cost of \$900,000.

Item 3, continued:

New Development Excise Tax Fund, continued:

New Development Excise Tax Fund projects include \$2 million for Water Reclamation Facility Centrifuge Replacement (expansion of biosolids capacity) and \$6 million for future Southeast Lift Station (deferred until planning efforts completed).

Total Utility Rates

Ms. Coffman said highlighted comparisons for total utility rates for several Oklahoma communities, i.e., Ardmore, Bartlesville, Broken Arrow, Edmond, Enid, Lawton, Midwest City, Moore, Newcastle, Mustang, Stillwater, Oklahoma City, and Tulsa as well as out of state communities, i.e., Richardson, Texas; Denton, Texas; and Lubbock, Texas. She said Norman has the lowest rates of all comparable communities, except Ardmore. She said many of these comparable rates include a Stormwater Utility Fee that Norman does not have with fees ranging from \$1 per month to \$9.98 per month.

Councilmember Schueler asked if the Compost Facility has been accepting yard waste from other cities for a fee. Mr. Mattingly said if a person shows up with a large landscape trailer full of yard waste, the City does not know whether or not this yard waste came from Norman that person is charged \$20 per trailer.

Items submitted for the record

1. PowerPoint presentation entitled, "City of Norman Fiscal Year Ending 2024 Budget," dated May 16, 2023

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ADJOURNMENT

The meeting was adjourned at 6:31 p.m.

ATTEST:

City Clerk

Mayor